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Letters

Crunched Numbers

Although I am not an expert in defense spending issues like Lawrence Korb ("The Myth of the Two-Front War," March 1997), I do recognize that the $127 billion that Clinton proposed to cut from Defense's $1.4 trillion budget for 1994-98 was more than 9 percent of total U.S. military spending. This was a significant reduction proposal, and not the trivial "less than one percent" that Korb calculates. Perhaps, then, the consensus on maintaining high military spending is not quite as wide or as deep as Korb believes. Or did someone just misplace a decimal point?

DAVID WINCH
New York, NY

Lawrence Korb responds:

Mr. Winch is correct. As it is written, a $127 billion reduction in a $1.42 trillion budget is more than a trivial one percent. It is, as he says, 9 percent.

It is my fault for not explaining in the text that Clinton and Bush used different assumptions for pay and inflation in their respective five-year programs. This accounts for much of the difference between Mr. Winch's number and mine.

I appreciate Mr. Winch's pointing this out, and I regret the error.

See No Evil

It seems to me that Nicholas Lemann is as optimistic as he seems to be because this is a case of "none so blind as those who don't want to see."("It's Not As Bad...," March 1997) To mention just one "for instance," he indicates that crime is declining.

Perhaps, but the facts are still as follows: There are approximately 1.6 million (and counting) felons behind bars. With the upkeep of one felon for one year around $25,000, this gives us a total annual cost of around $40 billion dollars. Felons on the "bridges to freedom" of parole, probation, etc., total (plus or minus) 5 million, and according to the best available estimate they cost us around $20 billion. Felons on death row: plus or minus 3,200 for an average of eight years (some as long as 15). The upkeep of one felon on death row for one year due to special security, suicide watch, OT, etc., is plus or minus $100,000, for a total of $2.5 billion.

The grand total—$62 billion. This is what "we the people" spend year after year on this aspect of crime alone. As the man said, a billion here, a billion there, and soon we speak about real money.

Mr. Lemann is entitled to his optimism, but I would rather be "included out," as Goldwyn said.

ERWIN FUCHS
Seattle, WA

Traditional Skeptics

Scott Shuger ("The Birth of a Skeptic," December 1996) praises Paul Fussell as a skeptic in the tradition of Twain and Veblen; a man who has shown an "intense skepticism about official utterances" and has revived the "great American trait of thinking for yourself." Curiously, Shuger considers Fussell's defense of Hiroshima and Nagasaki to be an example of these qualities—in contrast to the "opinion-making elite" who deny the righteousness of the act. In the real world, it is the opinion-making elite who celebrate the atomic bombings, while the dissenters and skeptics challenge the morality of the massacre and exposed the deceptions concerning it.

Why does Fussell deserve credit for defending his own nation's atrocities? One might think that the 59 percent of Americans who believe that the bombings were criminal are displaying that enlightened skepticism which Shugar admires. Fussell has argued that use of the bomb was justified so long as it saved a single American soldier—an attitude which is quite congenial to the ruling powers he claims to oppose.

AARON CARINE
Dover, NH

Full Disclosure

I would like to comment on the January/February article by David Corn entitled, "Muzzling a Watchdog." I am concerned about the accuracy and implication of certain aspects of the article. Mr. Corn states that I was surprised that John Brademas, while serving as the Chairman of the Board of the National Endowment for Democracy (NED), sat on the Comptroller General's Consultant Panel and that the situation troubled me—implying that I saw a conflict of interest. I was fully aware at the time of our review that Mr. Brademas served as a member of a Comptroller General's Consultant Panel. I did not inform Mr. Corn that I was troubled by this situation nor did I state or imply that a conflict of interest existed. My comment to the author on Mr. Brademas's involvement was to the effect that in prior GAO reviews of NED we usually worked with the President of NED and his staff to obtain their views on our work rather than with the Board of Directors.

Also, Mr. Corn, citing a former GAO official, reported that at a meeting between myself, Mr. Brademas, and other GAO staff, Mr. Brademas tried to pressure us. This did not occur then nor at any time during my involvement in the review.

JOSEPH E. KELLEY
FORMER DIRECTOR OF
INTERNATIONAL AFFAIRS, GAO
Fairfax Station, VA

Air Bag Blow-Up

I am responding to the biased and inaccurate article published by *The Washington Monthly* in your January/February 1997 issue. In the article "When Good Guys Lie," by Glenn Hodges, your magazine published distortions and half-truths that misled the public and damaged the reputation of Advocates for Highway and Auto Safety.

In the section of the article on air bag warning labels, you published Mr. Hodges's statement that Advocates "put PR concerns ahead of public safety." This statement is based on an obvious manipulation of fact that, at best, displays a willful ignorance of the truth, and at worst, deliberately ignores the truth. At the time Advocates made the statements

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excerpted by Mr. Hodges and your publication, February 1993, no air bag-related fatalities, involving either children or adults, had been reported. However, air bags had already saved hundreds of lives, and the life-saving benefits of air bags have been well-documented.

Mr. Hodges's article distorts history by reporting Advocates' statements as if they were made with knowledge of events that only transpired after Advocates' stated position was filed with the government. Such anachronistic juxtaposition violates both the professional obligations for accurate reporting and standards of conduct for the publishing industry. I would suggest that *The Washington Monthly* and Mr. Hodges desist from hypocrisy and heed their own advice—"misleading the public is no way to make the world a better place."

JUDITH LEE STONE, PRESIDENT
ADVOCATES FOR HIGHWAY AND AUTO SAFETY
Washington, D.C.

Glenn Hodges responds:

I did err by implying as fact that Advocates for Highway and Auto Safety had "put PR concerns ahead of safety," since I do not know with certainty why Advocates made the comments it did. But the fact remains—contrary to your assertion—that there had been airbag-related fatalities prior to February 1993. In an October 1991 memo, the National Highway Traffic Safety Administration said it was "aware of one half-dozen or so cases in which it is believed that the air bag caused the death of the occupant" in low speed (less than 10 mph) crashes. If Advocates for Highway Safety was unaware of those incidents in 1993 and submitted its comments to NHTSA believing in good faith that airbags did not pose a danger warranting a warning label, I apologize for insinuating otherwise. But I did not "distort history" by stating that air bag-caused deaths preceded Advocates' public comments.

Just Say No

Because public schools, enrolling the children of all sorts of people, are the essential foundation for whatever sense of community this nation has or hopes to recover, I felt a terrible sinking sensation on reading ("Tilting at Windmills," March 1997) that Charles Peters, of all people, has broken faith and gone over to favoring school vouchers.

Never mind caviling that Peters limits his advocacy to vouchers to be used at the District of Columbia's Catholic schools by D.C.'s educationally deprived children. As Peters should know if anyone does, given the hordes of pro-voucher wolves slavering at every legislative door in America, trying to open up only to selected vouchers in selected places is no more feasible than getting a little bit pregnant.

Peters says the First Amendment problem could be solved by letting the vouchers be used at any place, public, private, or parochial, that calls itself a school. Perhaps, given today's courts, that is true. But it begs another and very important question: How would it serve the nation and its children to have taxpayers begin subsidizing their enrollment not only in Catholic (or Mormon or Muslim or Buddhist or Pentecostal or Unitarian) schools but presumably also in schools that might teach that the world began in 4004 B.C.; or that little green men from Alpha Centauri invented it, or that it is flat?

Worst of all, Peters's argument wholly fails to answer his own accurate statement of the key objection: "The *Monthly* has opposed vouchers because we fear that they would inflict too much damage on the public schools." They would indeed. And setting a precedent in D.C. would invite the deluge.

The way to fix the D.C. schools is to fix the D.C. government. Congress needs to be shamed into doing exactly that. That's what Peters should use his usually wise voice to push rather than giving up and going over to the enemy—protecting and improving what, in many minds, is America's greatest invention and most vital institution: free universal public education.

ANN T. BERRY
Raleigh, NC

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Tilting at Windmills

BY CHARLES PETERS

LBJ's Fear of Impeachment • The CIA's Numbers Game • Clinton for Senator • The Buddy System • Donald Trump, Moralist • The Non Profit NFL

IF BILL CLINTON CAN'T SUCCEED himself, why does he continue to behave like a politician running for office? My guess is that it is because he *does* plan to run again. Not for president, but for the Senate. In 2002 against the Republican Tim Hutchinson, who last fall won the Arkansas seat held for many years by David Pryor, a Democrat who retired.

••••••••

FOR OUR "GEE, YOU WOULD THINK they could have come up with that one before now" department: The Joint Commission on Accreditation of Healthcare Organizations has announced, according to *The Washington Post*'s Spencer Rich, "that for the first time it will start considering a facility's success rate in curing patients, and not just the quality of its staff and equipment, when deciding which hospitals to approve."

••••••••

MAYBE THERE IS STILL HOPE FOR American conservatives. In the past, they have not been too keen on examining their faults. While neo-liberals constantly criticize liberalism, neo-conservatives are former liberals who have defended their new faith with the passion of the converted. But now we're finally seeing some signs of self-criticism. Republican Congressmen like John Kasich are taking on corporate welfare, which the GOP, in its zeal to get welfare mothers off the dole, had long neglected. And even the conservative's favorite newspaper, *The Washington Times*, recently ran an article on welfare that made the case for at least a tad of mercy in implementing reform.

Among the legal immigrants being dropped from the rolls is Dora, an 86-year-old immigrant who, writes the *Times*'s Cheryl Wetzstein, "has faithfully volunteered in the kitchen of a Miami senior citizen center for 13 years." As a volunteer, Dora doesn't qualify for the work exemption. She's not a citizen, but not because she hasn't tried. She's failed three citizenship tests. The SSI check is "all her income and she's terrified of losing it," explains the *Times*. This is not the kind of story one is accustomed to hearing from the right, and I welcome it.

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THE D.C. SCHOOL SYSTEM spends at the rate of $7,389 per pupil, yet we, in the words of *The Washington Post*, "still wind up short of books, crayons, toilet paper and, in some schools, even teachers." "Where does the money go?" asked the school system's chief financial officer, Abdusalam Omer. "The money goes to create a middle-class community. It goes to salaries."

My position on the Lincoln bedroom has been, "Thank God if they are only selling hospitality and not influence over policy."

This is the dirty little secret of D.C. Its grossly featherbedded bureaucracies, with their absurd oversupply of supervisors compared to doers, survive in the face of continuing exposure because they supply so much of Washington's black middle class.

To understand this problem, imagine yourself as one of the black preachers who have much political influence in this town. Think how hard you would find it to summon the courage to urge a radical reduction in the size of the institutions that pay the salaries of much of the congregation whose contributions support your church and pay your salary.

This isn't an easy problem to solve. Many of those surplus black bureaucrats are good citizens in a city that desperately needs role models for its youth. In the long run, the solution is to get the surplus into private business. But for many this will not be easy, for, over the years, they have acquired mental habits more conducive to survival in the civil service than to success in entrepreneurial endeavor.

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THIS MAGAZINE RARELY makes a profit, but when we do, we pay taxes. And we certainly don't spend money that could go to pay taxes on outrageous salaries for our executives. The boss has never been paid more than $24,000. So you can imagine how we felt when we learned from *Newhouse News Service* columnist Constance Casey, that the NFL is classed as a tax exempt non profit—even though it makes enough money to pay its commissioner, Paul Tagliabue, $3,231,924 a year.

••••••••

I HAVE ON THE WHOLE BEEN AN admirer of the Clinton-Gore effort to downsize the government, but I could not help becoming suspicious when I read in *The Washington Post* that "Washington contracting firms were awarded a record $20.8 billion in federal contracts in fiscal 1996." Are we simply contracting out the supposedly downsized functions, replacing federal employees with those of private contractors?

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THE STORIES ABOUT THE CIA'S dropping more than a thousand of its secret informants have tended to focus on the murderers and criminals who were serving on the CIA's payroll. They either omitted entirely, or buried, as *The Washington Post* did in the story's seventeenth paragraph, what to me was the single most alarming fact: "The operations directorate officers who performed the bulk of the CIA's clandestine hiring were routinely rewarded with promotions and better assignments if they signed up a large number of informants." Does this mean the number of agents was their standard for success rather than the quality of the information obtained from them? Doesn't this remind you a little bit of those hospital accreditors who looked at the doctors and equipment rather than at the success of the treatment?

In John le Carré's new novel, *The Tailor of Panama*, one sees the natural result of the CIA's approach to recruiting agents. The leading character is a tailor of men's clothing, who also tailors the information he provides to the spy who recruited him. The information is what he knows the spy wants to hear. And most of it is supplied not by real events, but by the tailor's imagination.

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A RECENT STUDY REVEALED FEWER than 10 percent of the District of Columbia's police officers were available to patrol the streets. One reason was that many of them were sitting around courthouses waiting to be called as witnesses. The policy is now being changed so that the officer who was spending a whole day waiting to testify is now called just an hour before he is to go on the stand. But you should check what's happening in your city or town. Courts tend to run for the convenience of judges, court clerks, and lawyers. Jury members and witnesses are often treated with indifference. Remember, the District of Columbia may be a parody of government, but it's a parody based on reality. The same problems are present elsewhere—though seldom in such exaggerated form.

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ANOTHER EXAMPLE IS THE CRONYism that *The Washington Post* recently found to be a major factor in hiring personnel for the District's school system. The problem may be worse in Washington, but it is also widespread in the federal and other state and local civil services. What were originally merit systems have gradually turned into buddy systems in which job descriptions are tailored to fit one's friends—or friends of friends—and a vigorous search for the ablest candidate is rarely conducted.

The innocent, whose number includes far too many supposedly sophisticated journalists and political scientists, think that political patronage is the main personnel problem in government. But the truth is that even at that high point of political corruption, the Nixon administration, a knowledgeable congressional staffer observed: "Sure, some politicians get jobs for [their political allies], but you could put all the Nixon-referred people on the Sequoia [a small yacht used by Nixon] and it would still float. But if you put all the people involved in the buddy system on the carrier Enterprise, it would sink."

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IN THIS ISSUE, SEE PAGE 22 WHERE we discuss why we favor the income-contingent student loan over Pell grants and tax breaks as a means of financing higher education. The loans have the distinct advantage of being loans, meaning money that will be repaid, not gone forever as with the grants and tax breaks. If we are going to spend federal funds now on education, I would concentrate on enriching pre-school and primary schools. *Time*'s recent cover article, "How a Child's Brain Develops," made a convincing case that these are the years that are crucial, when we should give our maximum effort to teaching and exposing children to a wide variety of experiences that open windows, because the evidence is that this is the period when the child's brain is growing the most, when it is being wired for a lifetime of learning. If the learning circuits don't get established then, they aren't going to be.

This also explains why it's desirable for at least one parent to be there when the child comes home from school, there to talk to the child, to read to the child, to continue the exposure to enriching experience. As Colleene Johnson put it in a letter to *Time*: "One of life's greatest joys is hearing 'Mom!' when your first-grader bursts through the door after school." You don't have to be a female to experience the joy. Two of the best parents I know are Mr. Moms.

It's not always going to be possible for one parent to be at home after school—that's why high quality day care is so important—but our social policies should encourage the possibility of part-time work for young parents so that as many as possible can hear that "Mom!"

••••••••

OTHER COMMENTATORS HAVE NOT rushed to embrace my position on the Lincoln bedroom, which has been, "Thank God if they are only selling hospitality and not influence over policy." I continue to think that the only real scandal will be in the cases where the campaign contributions can be shown to have brought about specific actions by the government.

One reason most journalists don't understand this is that they have never been politicians and they have no idea how hard it is to raise money without selling something. I have been a politician, so I do know that most of them are convinced that they have to sell access to survive. The real moral challenge for them is to make sure that selling access doesn't mean selling out, to keep the access from turning into a bad influence on their official acts.

And the real challenge for the rest of us is to take the money out of politics by such devices as giving free TV time to candidates, outlawing the expensive manufactured commercials that exaggerate the candidate's virtues

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and his opponent's vices, and putting a $100 limit on contributions.

The latter may require a constitutional amendment to reverse *Buckley v. Valeo*, the stupid Supreme Court decision that said money is speech. But my guess is that a simple law reversing the decision would be accepted by the Court.

The only support for *Buckley v. Valeo* comes from the rich who want to buy office, from interest groups that want to buy office-holders, and from what used to be called, in a bit of Marxist invective that has unhappily vanished from political discourse, their "running dogs" in the journalistic and legal communities—among the most appalling of whom is the ACLU. (The dismaying extent to which the once-proud ACLU has gone in the defense of rights of wealthy individuals and corporations was examined by Joshua Wolf Shenk in "Steve Forbes, Joe Camel, and the ACLU" in our April 1996 issue.)

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I HAVE A STRONG HUNCH THAT the HMOs are in for a tough time. I suspect what's going on in the Maryland legislature, where *The Washington Post* reports that "anti-HMO sentiment seems unusually strong," is going on all over the country. People are up in arms about HMOs' refusal to pay for needed treatments or to refer them to specialists when necessary. More than 2 million Maryland residents, which the *Post* notes is more than a third of the state's population, are in HMOs—and they are "flooding lawmakers with unhappy tales." To top it all off, most of the HMO members are solid middle-class citizens, the kind of people who can not only vote against you, but contribute their money—and influence with friends and neighbors—to your defeat at the next election. So attention will be paid.

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THOSE WHO KNOW ME WILL understand how undelighted I am by the news, reported by David Segal of *The Washington Post*, that the Bureau of Labor Statistics projects "the number of lawyers in the United States will grow by 28 percent between 1994 and 2005, roughly double the rate of increase expected for other occupations." But I continue to hope they'll find worthier work to do. In that connection, the good news in the bad news of Ennis Cosby's murder is that millions of Americans learned that this rich, attractive young man, who had his choice of careers to pursue, was studying to be a teacher. Perhaps his example will inspire at least a few of our most promising young people to put down those law school applications and sign up for Teach for America or get into teaching through some other route. It is important, by the way, that the Department of Education take the lead in making it easy for bright people who know their subjects to get into teaching without having to endure mindless education courses. See page 28.

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AS INFURIATED AS I CAN GET WITH Bill Clinton—as for example in the case of his last-minute decision to make Federico Peña secretary of energy (see page 16), I feel sorry for him because of all the legal fees that threaten to bankrupt him. I remain convinced that he and his wife did little wrong in the Whitewater real estate deal. They may have subsequently made errors in trying to control an investigation that they shouldn't have had to endure in the first place. But to have them stuck with staggeringly large legal bills seems outrageous. They now owe more than $2 million. The balance in the legal defense fund on December 31 was $94,066.

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HERE ARE THREE FACTS that should shake you. "While there are 51 million children enrolled in public schools," ABC's Peter Jennings reports, "only 6.5 million parents are enrolled in a parent/teacher association." Thirty years ago "to develop a meaningful philosophy of life" was a major goal of 82 percent of college freshmen, according to a study by UCLA and the American Council on Education. Now the figure is down to 42 percent. In the meantime, the percentage of freshmen whose top goal is to be well off financially has risen from 40 percent to 74 percent. Finally, if you aren't already calling Dr. Kevorkian, ponder the fact that according to a recent article in *USA Weekend*, there are now 20,000 gated communities where 8 million Americans hide from the rest of us.

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THE GOOD NEWS IS THAT WELFARE reform seems to be working, at least in the sense that welfare rolls are dropping. Part of the reason is simply a better economy that is producing more jobs. But part of it is

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the psychological impact reformers had hoped to see. Fewer people are including reliance on welfare in their plans for the future.

There is also good news from some states that are acting to soften the law's horrible features. For example, New York and 39 other states have asked for at least partial waivers of the requirement that food stamps for the unemployed be limited to 90 days.

The bad news is that way too little is being done about providing health care for the working poor, including those who leave welfare and then lose their Medicaid when they get jobs as we urge them to do.

At least Bill Clinton has proposed health insurance for the 5 million children of the working poor. But Republicans are opposing even this modest program. Their position seems to be, in the words of my friend Matthew Miller, "that insuring kids is just the camel's nose under the tent, the beginning of the slippery decline into socialism. Why, if we insure poor kids today, they argue, look out: Before long, every American may have decent healthcare coverage!"

The problem is not going to go away. Indeed, according to a recent study reported by Elisabeth Rosenthal in *The New York Times*, the problem is growing: "One quarter of New York City residents under 65 now have no health insurance at all: the exact figure is 24.8 percent, up from 20.9 percent five years ago. . . .The number of children without insurance has gone up twice as fast as the number of adults."

One state, Massachusetts, has done something about the problem. It has enacted the Massachusetts Children's Medical Security Plan, which insures children whose parents earn too much to qualify for Medicaid but too little to pay for private health insurance. The program, financed by a 25-cent-a-pack increase in the cigarette tax, was enacted over the veto of the state's Republican governor, William Weld.

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SOME TAPES OF LYNDON JOHNSON'S phone conversations were recently made public by the LBJ Presidential Library. Two of them, recorded on the same day in 1964, will make you weep. In one, Johnson is talking to one of the most powerful hawks in the Senate, Richard Russell, then the chairman of the Armed Services Committee.

Johnson mentions a sergeant he knows who he realizes might have to serve in Vietnam: "Thinking about sending that father of those six kids in there...and what the hell we're going to get out of his doing it? It just makes the chills run up my back."

Russell: "It does me, too. We're in the quicksands up to our neck, and I just don't know what the hell to do about it."

How then, could LBJ, with Russell's support, proceed to send more than 58,000 men to die in Vietnam? A clue may be found in something Johnson said to his national security advisor, McGeorge Bundy, that same day: "They'd impeach a president, though, that would run out, wouldn't they?"

••••••••

A MEASURE TO ALLOW CASINO GAMbling in New York state was defeated in late January. As you might expect, a coalition of religious groups played a major role. But some of their allies could not exactly be described as selfless. Prominent among them was that great moralist, Donald J. Trump, who it is suspected was not enthusiastic about having competition for his own casinos in New Jersey.

••••••••

HAVE YOU HEARD ABOUT THE DANger you're in from those drivers with one hand on the steering wheel and the other holding a cellular telephone? As they hear their boss tell them they're fired or a lover advising them to buzz off, the risk of an accident increases fourfold, according to a study published by *The New England Journal of Medicine*. I have a solution. No talkee while car movee. If you want to use the phone, pull the car off the road and make your call.●

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A New Breed of Hired Gun

In today's legal system, you not only need the best lawyers money can buy—but also the best expert witnesses

BY PRESTON LERNER

CARMEN MISTICH WAS TOOTLING DOWN St. Bernard Highway just outside New Orleans when a full-size pickup truck traveling at least 40 mph faster than her Volkswagen plowed into the back of her car. Mistich wasn't wearing a seat belt, and as the VW rolled over, she was hurled through the rear window. Two months later, she died as a result of her injuries.

The accident could have happened anywhere, anytime. But this being America, the most litigious nation on the planet, Mistich's heirs hit Volkswagen with a product liability lawsuit. And this being the '90s, they were able to find not one, not two, but three experts willing to testify that Mistich died because the design of her car's seat anchorage system was flawed.

Never mind that she wasn't wearing a seat belt; that the Volkswagen performed better than most cars in its class in a federal study of seat anchorage systems; that the accident, on its face, had all the makings of a textbook fatality: massive, fast-moving truck smashes into a tiny, nearly stationary car. A no-brainer, right? Hardly. As one cynical attorney puts it, "You can hire an expert to say just about anything."

The star witness in the case against Volkswagen was a self-proclaimed automobile design expert named Byron Bloch, who testified that the Volkswagen seat was "a unique aberration in design ... the weakest, minimalist seat anchorage ever put in a production car...the worst seat anchorage system ever."

And who exactly was Byron Bloch, and why was he qualified to say these terrible things about Volkswagen?

According to court records, he'd been dismissed from one collegiate engineering program, was placed on academic probation by the electrical engineering and industrial design departments at a second college, then ended up getting a B.A. from a third school. He was laid off from his first job after three months, fired from his second after six months, fired from his third after less than a year and released from his fourth after two years. When he embarked on a career as a consultant/expert, often testifying against Volkswagen, he hadn't worked on a single job involving automobiles, much less engineering.

Despite the defense's strenuous objections, Bloch was permitted to testify as an expert witness. "He has been qualified by courts across the land," the judge ruled, "and I do not presume that all of them were incorrect." Partly on the strength of Bloch's damning testimony, the Mistich family won its suit against Volkswagen and was awarded damages in excess of $2 million. Justice is blind all right. And sometimes, it would seem, deaf and dumb.

The Mistich case highlights one of the most vexing currents in the American legal system: the growing reliance on expert witnesses, and the absence of clear-cut standards regarding their expertise. "When you've got $3 billion product liability lawsuits being decided on the strength of junk science that's just wildly out of whack with objective reality, and when you've got people being sent to Death Row because some lunatic shrink says he can predict "future dangerousness" on the basis of some criteria known only to him, then, yeah, you've got a problem," says Peter W. Huber, author of

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Galileo's Revenge: Junk Science in the Courtroom.

A scathing indictment of expert witnesses, Huber's book is admittedly more polemic than even-handed policy prescription. Less partisan observers say expert witnesses are an integral cog in the American judicial machine, and the vast majority of them, testifying in prosaic cases that generate no media buzz, are competent. They allow that, naturally, there are exceptions, but that these problems are often self-correcting. For example, after being stung by a series of particularly ugly misconduct cases, forensic scientists voluntarily raised their expert witness standards. Equally, if not more important, a landmark product liability case decided by the U.S. Supreme Court in 1993 gives judges more latitude to exclude dubious testimony from experts peddling not-ready-for-prime-time theories about everything from handwriting analysis to repressed memories of childhood sexual abuse.

At least that's the theory. In practice, though, the situation is more complicated. First of all, a researcher publishing in *Scientific American* must meet a much higher standard of proof than an expert witness testifying in court. Second, our adversarial system of jurisprudence seems—at least to lay people—designed to elicit a legalistic notion of truth rather than objective truth. When in doubt, judges tend to err on the side of admitting too much testimony rather than too little, then letting the jury decide whether it makes sense. If, during cross-examination, an attorney can demolish an "expert" who claims that fill-in-the-blank (cellular telephones, photocopy machines, power lines) causes cancer, so be it. If not, well, them's the breaks.

"A lot of cases come down to a battle of the experts," says William T. Pizzi, a law professor at the University of Colorado at Boulder. "You get your expert at one extreme, and I get my expert at the other. The first one says, 'Yes, it definitely happened this way.' The second says, 'No, it couldn't possibly have happened that way.' What's the jury supposed to do?"

Experts, by definition, are the only witnesses permitted to testify about their opinions, and their opinions carry substantial weight. According to a study conducted by *The National Law Journal* and Lexis-Nexis, 71 percent of jurors polled said that experts influenced their verdicts. Nearly 90 percent said they found experts credible.

Funny, because legal critics have been complaining about expert witnesses—about their unreliability and their willingness to say whatever they were paid to say—ever since these pointy-headed hired guns started testifying. By 1923, the grumbling was loud enough to compel the U.S. Supreme Court to adopt what's known as the Frye standard, which established a general-acceptance test for admitting expert testimony. In other words, only evidence that was generally accepted by the scientific community could be admitted in court.

Frye worked reasonably well for several decades, largely because scientific evidence figured so rarely in court cases. As recently as 30 years ago, the typical tort action involved a fender-bender at Fifth and Main, and the typical expert witness was a physician testifying in a medical malpractice suit. But the Agent Orange and Love Canal cases of the '70s spawned a deluge of toxic tort litigation. Around the same time, a new breed of "soft" scientists appeared with novel and often untestable theories about human behavior and the causes of disease.

Judges generally responded by adopting a more relaxed standard toward the admission of expert testimony. This liberalized attitude was codified in the Federal Rules of Evidence adopted in 1975. In place of Frye's general-acceptance test, Rule 702 said a witness could be "qualified as an expert by knowledge, skill, experience, training, or education," which pretty much made everybody from Linus Pauling to Doctor Mom an expert on the common cold.

The result? Even as our culture is being dumbed-down, the number of experts is skyrocketing: The nation's largest referral service, Technical Advisory Service for Attorneys, now has 24,000 experts on its rolls, up from 10,000 in 1987. Within the 758 pages of California's *The Legal Expert Pages*, browsers can find experts on everything from cemeteries and garage doors to theater and termites, not to mention William M. Jones, who bills himself as "Mr. Truck." "There's an expert testifying in every field you can possibly imagine," says Steven Babitsky, editor of *The Expert Witness Journal*. "I remember one case in which a prison inmate who claimed he was no longer using drugs tried to get another prison inmate who was a drug addict qualified as an expert on drug addiction."

To a certain degree, this growing reliance on experts reflects the growing complexity of modern life. By their very nature, product liability suits turn on complicated questions of causation that can't be resolved simply by resorting to common sense. But more than ever, we're seeing expert testimony on subjects that never before required it. For centuries, for example, the time-honored method of impeaching eyewitnesses was to question their credibility under cross-examination: You wear glasses, don't you, Mr. Jones? Now, experts are being hired to discuss the

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unreliability of eyewitness testimony.

Finding the right expert witness is a how-to staple of bar journals and other trade magazines, and why not? Though it may sound unseemly, witness-shopping is a key to success in many cases, especially civil suits. While it's unethical, if not strictly illegal, for an attorney to tell an expert witness what to say in court or during a deposition, it would be unprofessional, if not downright stupid, for him to hire somebody whose testimony wouldn't help his case. Expert witnesses understand how the game is played. When an attorney representing a family killed in an airplane crash calls up an engineer who specializes in metal fatigue, the dialogue pretty much writes itself. "You don't have to be a rocket scientist to know what the attorney is looking for," lawyer Michael Kranitz says.

[There are] experts on everything from cemeteries and garage doors to theater and termites, not to mention William M. Jones, who bills himself as "Mr. Truck."

The fact that there aren't many full-time expert witnesses out there is less a function of propriety than the realization that holding down a day job makes their resume look more credible. Certainly, with fees that reach as high as $1,000 an hour, there's more than enough money around to keep expert witnesses in a top tax bracket. According to one study, physicians' insurance companies paid $18 million for medical experts to defend malpractice cases in 1992. And then there's the economist who testified in 154 Los Angeles-area cases from 1990 to 1994. Who knows how many others he consulted on?

This isn't to suggest that most, or even many, experts lie on the witness stand. But while they're required to tell the truth and nothing but the truth, they're also being paid by one of the interested parties, and it would be naive to think that this has no effect whatsoever on their testimony.

Consider this rogue's gallery of prosecutors' dreams:

Dallas psychiatrist James Grigson, dubbed Dr. Death because he so rarely met a murderer he didn't think ought to be executed. By 1989, he had testified about the "future dangerousness" of one-third of the inmates on Texas's death row. Twice reprimanded by the American Psychiatric Association, he's since been expelled from the organization.

Serologist Fred Zain, a West Virginia state trooper and later chief serologist in the Bexar County (Texas) Medical Examiner's office, indicted for perjury for falsifying results used to convict several wrongly imprisoned defendants.

The late Louise Robbins, a college anthropology professor whose now-thoroughly-debunked footprint "expertise" was a featured element in 20 criminal cases in 11 states and Canada.

Michael H. West, a forensic dentist with an unprecedented, even preternatural, ability to match wounds with teeth, weapons, fingernails, whatever. A key witness in nearly 20 capital cases, he uses a controversial blue light to examine wounds invisible to the naked eye—and, apparently, all other forensics experts. West remains a prosecutor's favorite even though he resigned from the American Academy of Forensic Sciences after the ethics committee recommended his expulsion.

Disturbingly enough, most observers agree that the evidentiary standards for expert witnesses tend to be higher in criminal cases than civil suits, which keeps a lot of junk science out of court. Also, since the monetary stakes are usually lower on the criminal side, very few cases degenerate into trial by highly paid expert.

Things get murkier on the civil side, where the line between expert and advocate is often blurred. "The question of causation in a tort case isn't purely a scientific issue. It's a political and social issue as well," says Christopher Mueller, a law professor at the University of Colorado at Boulder. "Scientists think of causation in different terms than judges do."

A scientist demands what Mueller calls Rube Goldberg-style linear causation: A marble rolls into a lever, which strikes a match, which lights a cherry bomb, which then explodes. Cause and effect are clear-cut. In some courts, by way of contrast, a statistical correlation between a product and a disease may be enough to justify a finding of causation even if nobody understands the mechanism by which the

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disease develops. Because who knows? Maybe fax machines will turn out to cause cancer.

The classic illustration of the chasm between the legal and scientific definitions of causation came in the celebrated paternity suit against Charlie Chaplin, who was found to have fathered a child even though blood samples conclusively proved that he couldn't have been the father. More recently, a federal judge ruled that a spermicide caused birth defects despite a mountain of unrefuted evidence to the contrary. Later, the study whose "tentative" findings were the principal evidence against the spermicide was repudiated by two of its authors. Even so, an appellate court affirmed the $5.1 million award, arguing that "it does not matter in terms of deciding the case that the medical community might require more research and evidence before conclusively resolving the question."

In recent years, courts have found that seemingly harmless PCBs caused cancer, that an acne medication caused brain damage and that an over-the-counter painkiller led to a liver transplant. Other experts have argued unsuccessfully that Retin-A and Primatene Mist cause, respectively, "reactive airway dysfunction syndrome" and "multiple chemical sensitivity disorder." On the product-liability front, Beech Aircraft analyzed lawsuits arising from 203 airplane crashes. Although all of the accidents were attributed by federal investigators to weather, poor maintenance or pilot error, each of the plaintiffs blamed the manufacturer for the crashes. The lawsuits cost Beech, on average, $530,000 per case.

And perhaps most notably, the O.J. Simpson civil trial featured no shortage of expert testimony, including much-publicized debate over whether a photo of Simpson wearing the notorious Bruno Magli shoes had been doctored.

Inevitably, there's been a backlash. At the federal level, the rules of the game were comprehensively rewritten by the U.S. Supreme Court in the Daubert case, one of several suits alleging that the morning-sickness medication Bendectin caused birth defects. In principle, at least, the Daubert decision dramatically raised the standard of admissibility for scientific evidence by requiring judges to look beyond the credentials of an expert witness and to delve into the methodology behind his findings, not to mention determining whether his research has been published and peer-reviewed. "In my mind, the new standard is superior to the old one," says Joseph L. Peterson, professor of criminal justice at the University of Illinois in Chicago. "Daubert gives us a road map for what should be admitted and what should be excluded."

While a step in the right direction, Daubert will no more end expert witness abuse than a balanced-budget amendment will make the deficit disappear. First of all, the decision applies only to federal courts, and to date, it's been adopted by fewer than half the states in the Union. Second, even in courts where it has been adopted, most judges have interpreted it as applying only to "hard" scientists, which means that it will have no effect on the vast majority of the experts who testify. Third, the dozens of law review articles published about Daubert spotlight the widespread disagreement about the ramifications of the decision. Among the most disturbing predictions is that Daubert will open the door to even more goofball science since it no longer requires a general consensus of the scientific community.

Last but not least, there are those who question the ability of judges to make any more sense of esoteric scientific testimony than juries. As a result, several programs have been created to turn jurists into quasi-Mr. Wizards. Meanwhile, in complicated cases, judges themselves have begun appointing independent experts of their own to slog through the morass of competing testimony. There has even been talk, though no action, of establishing so-called science courts with panels of judges drawn from the ranks of eminent scientists.

Still, for these efforts to have any significant impact, Daubert will need to be expanded in jurisdiction as well as interpretation. State systems should be pressured to adopt tougher expert witness standards, and "soft" science should be held to standards at least as exacting as the more traditional disciplines.

Of course, if all else fails, there's always the threat of malpractice to keep experts in line. As Carol Henderson, a former federal prosecutor now teaching law at Nova Southeastern University, puts it: "If experts are professionals, they ought to be held accountable just like any other professionals." Although expert witnesses generally can't be sued by the people they testifiy against, there's nothing stopping their own employers from taking them to court. Malpractice suits of this sort are on the rise, with a recent $42 million judgment against an accounting firm sending fear and trembling through the world of hired guns. "Expert witnesses are worried," Babitsky says. "One of the questions we hear at our seminars is, 'Where can I get liability insurance?'"

Soon, no doubt, court dockets will be full of cases in which expert witnesses are testifying against expert witnesses. This somehow seems fitting: What goes around, comes around. ●

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Pill Pushers

Pharmaceutical companies are emphasizing marketing—and downplaying responsible medicine

By Greg Critser

RECENTLY, WHILE SCANNING THE "buy" pages of a prominent Wall Street analyst's report, I came across these rather remarkable words: "We are recommending that our clients take another look at Abbott Laboratories' new drug, Depakote. There are an estimated 1.2 to 1.6 million manic depressives in the United States, and as a result, we believe manic depression can create a $1 billion market opportunity."

It's easy to forgive the analyst's somewhat tacky excitement. Pharmaceuticals, after all, are one of the steadiest performers in today's investment portfolios. Our mutual funds are engorged with Lilly and Pfizer and Glaxo and Abbott; so, too, are our pension plans and college trust accounts. In fact, never before have so many Americans benefited from the financial side of the drug industry. More and more, our individual economic fates are bound up with theirs. As is, increasingly, our health. America is now more than ever a pill-centric society. This is partly the result of rising health costs, partly because of managed care, and partly because of our penchant for self-help. Whatever the impetus, though, the sentiment is always the same: We don't want to wait to be diagnosed with GERD, the meta-heartburn of the '90s; we just want the Zantac—now. As my own doctor said recently, "Those ads that say 'Ask Your Doctor Now,' really mean 'Tell your doctor to give you X—or else.'" Studies show that most of us know our pharmacist better than our internist.

As a result, the disinclination to rein in pharmaceutical giants has never been greater. (Witness, for example, the weird grassroots support for last year's bid to privatize the FDA—a screwball idea that even the Gingrichians ultimately rejected.) Yet just the opposite should be true. As America's health system becomes increasingly owned and operated by the pill companies, the ways of drug firms ought to be under more, not less, scrutiny. It's an unfashionable idea, but it's true: If there was ever a case for greater government involvement, pharmaceuticals carry the brief.

Consider the strange career of Depakote, our "billion-dollar market opportunity." Like many of today's most popular concoctions, Depakote began life with smaller ambitions; for years valproic acid was but another effective, unsexy bullet in the medical arsenal against epilepsy. Then, in 1990, as Prozac proved that psychiatric drugs could create new mass markets, Abbott decided to re-register the drug as a treatment for bipolar disease, the diagnostic term for manic depression. The company filed the requisite forms with the FDA and began clinical trials. But instead of waiting for the agency to render a decision about Depakote's efficacy—as is required by federal law—Abbott began hyping away. According to papers recently released through the Freedom of Information Act, the FDA not only caught Abbott using a medical education program on bipolar disease to promote Depakote illegally, it also cited the company for using the classes to collect information about attending doctors' prescribing habits. Who funded the class? Not Abbott's educational arm, but—surprise!—the Depakote product manager.

Abbott's exercise is a lesson in modern pharmo-realpolitik. While it is illegal for a manufacturer to promote a drug for unapproved uses, doctors are legally permitted, within reason, to prescribe what they will. The drug companies know this and have exploited the loophole ruthlessly.

Over the past few years, the FDA has issued dozens of warning letters to pharmaceutical giants for promoting so-called "off-line" uses. Last summer, for

Greg Critser, *West Coast editor of* Worth, *writes frequently about the pharmaceuticals industry.*

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example, Pfizer, maker of the antidepressant Zoloft, received a warning from the FDA for illegally promoting the drug as a treatment for "Premenstrual Dysphoric Disorder," a form of depression that accompanies PMS for a small percentage of women. Evidence for the claim was deemed insufficient. The FDA thought the practice of off-line promotions so widespread at Pfizer that it directed its eight-page warning letter to the company's chairman, William Steere, instead of to its head of regulatory affairs, who would normally get such letters. By doing so, the agency was making a crucial point: Often, only the head of a drug company truly controls its sales culture. Not that Pfizer is the only culprit. So endemic is the practice of drug firms hyping unsupported product claims the facts don't support that, in 1994, FDA Commissioner Mary K. Pendergast was moved to (uncharacteristically) straightforward language. "Promotion of unapproved uses by company sales representatives," she told a congressional panel, "is a major problem."

Here the libertine in all of us would, of course, like to say: "What's the big deal? Didn't these drugs get approval eventually?" For the most part, yes. But that doesn't mean they're without substantial problems—problems often downplayed or absent from the pre-approval information most doctors receive. Depakote, for example, proved only marginally more effective than lithium, the long-standing (and cheaper) treatment for manic depression. It also displayed far more severe side effects for pregnant mothers than lithium, with resulting fetal complications including developmental delay, a small head, facial abnormalities, and a significantly increased risk of spina bifida. Similarly, Paxil—SmithKline Beecham's brand name for its antidepressant offering, paroxetine—proved to have the unforeseen side effect of severe withdrawal syndrome. As recorded both in drug trials and by physicians participating in the FDA's voluntary reporting program, patients who stopped taking paroxetine experienced symptoms including extreme anxiety, hostility, vision abnormalities, insomnia, dizziness, and diarrhea. One test subject, according to FDA files, "became preoccupied with homicidal thoughts and plans, initially directed towards acquaintances and later towards his own children. These became so intense...he contemplated suicide." In another case, a 67-year-old man who had run out of paroxetine committed suicide. Of course, as in any of these cases, direct causation is difficult to determine, but the "suspect adverse reaction report" filed in this case noted: "It was thought that [running out of paroxetine tablets] could have caused a sudden withdrawal reaction...which led to a relapse of the patient's depression, causing him to commit suicide." Clearly, Paxil should have been tested more rigorously before its release, and accompanied by a warning label alerting physicians and patients to all of the drug's severe side effects. As it is, prescribing instructions for Paxil have been revised 11 times in just three years, with withdrawal syndrome now topping the FDA's list of adverse reactions.

All right, no drug is perfect. And all of this would not be so objectionable if today's doctors had the time to perform their traditional role as gatekeeper to the national apothecary. But they don't. Physicians' prescribing habits are increasingly circumscribed by two new forces: HMOs, who increasingly push them to prescribe more drugs, and PBMs, or pharmaceutical benefit managers. These companies—many owned by the pharmaceutical firms themselves—tell physicians which drugs insurance companies will pay for. In essence, doctors have lost control of their prescription franchise. Control instead exists in the ganglia of vague arrangements between drug companies, PBMs, and HMOs. A study released in January shows one possible consequence of that: In 1996, the cost of treating the adverse reactions to pharmaceuticals topped $4 billion.

In the U.S. health care system, two of the biggest trends are self-diagnosis and self-treatment, fueled in no small part by the most important movement in pharmaceuticals—the conversion of prescription drugs to over-the-counter status. There is, of course, some curative in this trend. After years of believing everything doctors told them, Americans have taken back some power. Good for them. But as "empowering" and "nurturing" as the self-care movement may be, it still depends on one basic notion: that the information we all get about, say, Paxil, is legitimate—that it has jumped all the hurdles erected to protect us, that the information is unbiased and clear, and that we're not being offered the product until the FDA has deemed it safe and effective.

Sadly, anyone who has actually studied today's ubiquitous drug advertising knows that obfuscation and legalism long ago replaced clarity. The recent campaign for the prescription skin cream Renova promises "A Tube of Truth." Effexor, yet another antidepressant, promises, "There is Hope—in fact, there is more than hope." The FDA has a unit specifically empowered to police drug-company hype, but that arm, the Division of Drug Marketing, Advertising, and Communications (DDMAC) is increasingly understaffed and overworked. It has a total of 29 staff members and a small budget with which to take on the legal and marketing departments of the world's biggest

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drug companies. Moreover, the FDA itself is under cultural and political siege. Because of its outgoing director's campaign against tobacco, the agency has taken its share of hits for being "too aggressive" and "heavy handed." The reality is just the opposite. During the Clinton years, review times for new drug applications dropped dramatically. And the drug companies have a new weapon designed to cow the FDA from becoming more vigilant: Because of laws passed in the early 1990s, the agency must report progress in reducing review times, or face cuts in its funding.

How then to guard the consumer, once quaintly known as "the patient"? Three notions come to mind. One is to ramp up the DDMAC; if self-prescription is the key to saving health care bucks, then let's make sure we at least get good information upon which to

Who's Who

By Susan Threadgill

We applaud **Hillary Clinton**'s recent efforts to help the District of Columbia. But some people wonder why she's expressing concern now instead of four years ago. One explanation offered by local cynics is that the only grand jury that could indict her for those pesky billing records consists of citizens of the District of Columbia. As for our own view, The Threadgill Theory of Multiple Motivation holds that for any human action there are many reasons, some noble, some less so. In this case, we credit the First Lady with a predominance of the former.

Rep. **John Kasich** told **George Will** that "there just aren't enough hours left in my life that I can get everything done that I want to get done." Thus Kasich says he won't run for the Ohio Senate seat that will, because of **John Glenn**'s retirement, open up in 1998. Kasich, it seems, is going to skip the Senate so he can go straight for the presidency.

In the year after **Ann Eppard** left the staff of House Transportation Chairman **E.G. "Bud" Shuster**, she opened a lobbying company that earned $600,000 from the transportation industry. At the same time, reports the *Journal of Commerce*, she helped raise $655,000 for Shuster's re-election campaign. You will not be shocked to know that, according to *The Hill*'s **Sarah Pekkanen**, "Shuster repeatedly acted in the interests of several groups that Eppard represented." Why then, doesn't Congress investigate? **Gary Ruskin**, director of the Congressional Accountability Project explains: "Congressman Bud Shuster controls whether any member of Congress gets a road in their district."

How does **George Stephanopoulos** keep in touch with his old pals at the White House and get in his cents' worth when he feels like it? According to **Elisabeth Bumiller** of *The New York Times*, it's through **Rahm Emanuel**, who Bumiller calls "the White House's new George Stephanopoulos."

Henry Reske, formerly of the *American Bar Association Journal*, tells **Murray Waas** of *The Nation* that he thinks he lost his job because of **Kenneth Starr**'s complaint about Reske's coverage of Whitewater issues. Starr's complaints, he suggests, were not taken lightly because Starr was and is a member of *ABA Journal*'s editorial board. *The Nation*'s story does not offer conclusive proof of Reske's charge, but does offer clear evidence, in the form of a handwritten note from Starr to Reske's editor, that Starr made suggestions for *ABA Journal*'s Whitewater coverage.

If you wonder why **Ann Eppard** wasn't governed by restrictions on lobbying by former congresspersons, an explanation can be found in a letter **Jack M. Fields Jr.**, a former House Commerce Committee member, wrote to prospective lobbying clients, offering to help them with issues before the Commerce Committee. While he, as a former congressman, is prohibited from lobbying for a year, he comforts potential customers with these happy tidings: "**Cyndy Wilkinson**, who was my staff counsel on the Commerce Committee, has joined me in this practice. Cyndy does not have any postemployment restrictions and will be very active on the Hill." Since **Ann Eppard** is another former staff person, as distinguished from a former member, she is similarly liberated.

The rumor is that **Ira Magaziner** will be named undersecretary of commerce for international trade, replacing **Stuart E. Eizenstat** who is going to State. Remembering

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base our decisions. The second is to call for full and prominent disclosure of drug company hype; if Lilly, for example, is caught promoting Prozac as a cure for bunions, make it pay for a campaign of corrective ads. Lastly, we might think about spending more money to educate students about pharmaceutical drugs. Health curriculums could be revamped; the venerable Physicians Desk Reference could even be abridged for the laity. Such ideas would likely find support in America's beleaguered medical community. As one doctor wrote me recently, "Perhaps there should be a requirement that drug companies underwrite a neutral informational spot for every promotional spot they fund."

That would be a radical idea—but perhaps no more radical than calling manic depression "a billion-dollar market opportunity." ●

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the complicated **Rube Goldberg** charts that Magaziner devised for the Clinton health care program, one wag predicts, "Now trade with Europe will go through the Panama Canal, loop around the tips of South America and Africa hang a left at the Indian Ocean, through the Red Sea and the Suez Canal into the Mediterranean."

David Dreyer is leaving the Treasury Department, where he was an adviser to **Robert Rubin** and where he did not, as we suggested in one of our more spectacular goofs, write *Primary Colors*. Our source was so good—but alas also so wrong.

When **Ed Bethune** took over as head of Little Rock's First Federal Savings and Loan, it had assests of $1.7 billion. By August 1987, just before he announced his resignation, it was, according to *The Arkansas Times*, "$22.1 million in the hole." But Bethune was given a golden parachute worth $368,000. First Federal was taken over by the FDIC a couple of years later.

Bethune, state chair of the GOP, was elected to Congress as a Republican in 1988. During the Bush Administration, the Resolution Trust Corporation spent 13 hours investigating First Federal, whose bailout cost taxpayers $833 million. It spent 5,661 investigating Madison Guaranty, which had the much lower pricetag of $73 million. Now you may understand why **Bill** and **Hillary Clinton** sometimes seem to feel sorry for themselves.

When White House Chief of Staff **Erskine Bowles** combined the two morning staff meetings that were held under his predecessor **Leon Panetta**, he succeeded in ticking off the big shots who prized

the distinction of being among the few who attended the senior staff meeting and also the very little shots who used to get to attend the deputies meeting, where they were at least able to sit in the back and sometimes even made it up front when their boss could not attend.

Burton Hersh tells of a conversation he had with one of Sen. **Edward M. Kennedy**'s friends as he was finishing his forthcoming book *The Shadow President: Ted Kennedy in Opposition*. "I'm writing a book here about death and redemption, and I would not like to be surprised on publication day by Bad Teddy's resurrection," Hersh said to the friend. "He laughed, if warily," writes Hersh. "'I think you're O.K.,' he assured me after a moment."

From all we hear, the person at the White House most likely to be indicted is not **Bill** or **Hillary Clinton** but **Bruce Lindsey**, a White House lawyer who is the president's closest confidante and overseer of the Whitewater defense team. Lindsey was named as an unindicted co-conspirator in an earlier Whitewater case. But his greatest danger is said to come from the possible payment of hush money to **Webster Hubbell**.

I bet you were thinking you would be spared another item about **Richard Nixon.** But we can't resist this tape found by the *San Francisco Examiner*: After Nixon instructs **H.R. Haldeman** to put permanent tails and coverage "including 'more use of wiretapping,'" on Democratic leaders **Edward M. Kennedy, Edmund S. Muskie**, and **Hubert H. Humphrey**, Haldeman replies that somebody already had been hired to tail the targeted Democrats.

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Bad Choices for Big Jobs

How Clinton misplays identity politics

BY MICHELLE COTTLE

AFTER FOUR YEARS IN THE OVAL OFFICE, Bill Clinton has learned a lesson or two about what it takes to be a successful President: Don't expect the American public to embrace comprehensive health care reform. Don't let your wife change her hairstyle too often. Always make sure there are fresh sheets in the Lincoln bedroom. Be nice to soccer moms.

But as Clinton embarks upon his second term, there is one lesson he clearly hasn't learned: how to balance identity politics with smart policy. Make no mistake, the Clinton administration has made great strides in advancing women and minorities into the upper echelons of government, which is inarguably a good thing. But in his crusade to maintain a Cabinet that "looks like America," Clinton often seems to get tired—or lazy.

It's not just that he makes bad choices—although the jet-setting Hazel O'Leary and perk-loving Mike Espy do leap to mind. It's that his choices often seem characterized by nothing so much as a lack of forethought, most likely the result of Clinton's being more committed to a candidate's biological qualifications than to her professional ones.

This tendency was vividly displayed in the President's first-term push to get women into high-profile positions at the Justice Department—a mission that led to an embarrassing parade of unconfirmed candidates. Zoe Baird's Nannygate (which eclipsed the candidate's more general lack of relevant experience) was followed closely by similar revelations about Kimba Wood. No matter; Janet Reno had equally satisfactory chromosomes. Still, had Clinton given adequate thought to his nominees, he might have recognized their weak spots early on. Then he could have decided whether he wanted to drop them—before his choice became public—or stand and fight. This was particularly true with "Quota Queen" Lani Guinier, whose politically unpalatable—or "undemocratic," as Clinton called them when he pulled her nomination—had been in print for all to see long before the President tapped her to head Justice's civil rights division. But, despite the position for which Guinier was being considered, her take on racial politics apparently didn't interest Clinton until conservatives made it an issue.

For Cabinet II, Clinton vowed to focus less on diversity and more on picking people suited for the job. After announcing his nominees, the President declared, "I would not have appointed a single one of them because of their gender or their racial or ethnic background had I not thought that they could succeed."

Maybe. But although this year's selection process hasn't (so far) been the circus that we saw in 1993, Bill's lack of forethought is still showing. And his careless quota obsession not only stands to hurt the case of serious affirmative action, but also to have concrete negative effects on the American public. Two prime danger spots to keep an eye on: the departments of Energy and Labor.

The Luckiest Man Alive

In his 1974 Pulitzer Prize winning *The Power Broker*, Robert Caro tells the story of the unmaking of 20th century New York City by its political wheelers and dealers. In one scene, Caro outlines how, following the 1950 resignation of mayor William O'Dwyer, the city got saddled with a successor of dubious merit:

> By law, the successor to a retiring mayor is the President of the City Council. By fate, the Council

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presidency was held in 1950 by an individual who, during the entire forty-five utterly undistinguished years of his life prior to his nomination to that ...post, had never been deemed worthy of holding any job more responsible than that of secretary...to a judge named Schmuck.

The nomination of this totally unknown minor Tammany ward heeler to the city's second-highest elective office...had "staggered" in Warren Moscow's words, "even the most imaginative among political reporters." And so had the explanation of how he had obtained the nomination. At a last-minute reshuffling of the 1945 Democratic ticket, the leaders finally agreed on Lazarus Joseph for Comptroller, and then realized that since O'Dwyer was Irish and from Brooklyn, while Joseph was Jewish and from the Bronx, the slate could have ethnic and geographic balance only if its third member was an Italian from Manhattan—and were unable to think of a single Manhattan Italian official they could trust. After hours of impasse, one leader reasoned that since legal secretaryships to State Supreme Court justices carried a respectable salary for which little or no work was required, they would have been given only to the "safest" of Democratic workers. Pulling out a little "Green Book," the official directory of city employees, he turned to the list of legal secretaries, ran his finger down it looking for a name that even the dumbest voter would be able to tell was Italian—and came to Vincent R. Impellitteri. "No one knew who the hell he was," Reuben Lazarus was to recall, but, looking up Impellitteri's address, the leaders determined that he lived in Manhattan, telephoned his district leader and were assured: "You don't have to worry about him. He's a good boy."

Fast forward 40-odd years, and you have President Clinton and his inner circle agonizing over the ethnic composition of his first-term Cabinet. The story is familiar by now: When environmental groups opposed the nomination of Hispanic Bill Richardson as secretary of the interior, prompting Clinton to go instead with Bruce Babbitt, the President found himself in need of another Hispanic Cabinet member. Thus both of the top contenders for head of Transportation, Chicago politico Bill Daley and former Michigan governor Jim Blanchard, were passed over for former Denver mayor Federico Peña.

To be fair, Peña was not a total stranger to either politics or transportation issues. Prior to his eight years as mayor, he served two terms in the Colorado legislature. And, as Clinton frequently noted in Washington's early days of "getting to know" Peña, the new transportation secretary had been the visionary behind the mammoth Denver International Airport.

So it is perhaps fitting that Peña's reputation followed a swift, downward course similar to that of his beloved airport. Starting out, the energetic transportation secretary was a curiosity to the media. He lacked serious experience, but he was also free of the taint of the airline or auto industry. And although the press often dismissed Peña as an "outsider" in Cabinet circles, they also praised him for being higher profile and more of an activist than his predecessors. They noted his willingness to go to bat for the airline industry in international disputes (at one point, he imposed sanctions on Australia for trying to limit U.S. carrier flights between Japan and Sydney) and his willingness to visit disaster sites such as the 1994 Los Angeles earthquake and the 1993 Amtrak derailment in Alabama.

Alas, Peña soon proved himself to be more activist than achiever. Early on, the secretary faced a number of concrete infrastructure challenges, including modernizing the nation's decrepit air traffic control (ATC) system and promoting high-speed rail projects. Four years later, no visible progress has been made. In fact, in June of 1994, Federal Aviation Administration head David Hinson tossed out much of the ongoing project to automate the ATC system, when it was determined to be hopelessly over budget and behind schedule.

Long before ValuJet flight 592 hit the headlines, there were whisperings about the administration's frustration with Peña (and his reported tendency to "say stupid things in meetings"). In a February 1996 survey of Cabinet experts conducted by Hearst Newspaper, Peña ranked second to last in job performance, just ahead of Energy's Hazel O'Leary. The events surrounding last May's ValuJet crash did nothing to improve Peña's stature with the administration or the public. Proclaiming the airline to be safe contrary to any evidence the FAA provided him suggested the secretary was either incredibly ill-informed or a reckless advocate for the industry.

In fact, Peña's knee-jerk support of ValuJet points to what may be both his greatest asset and his biggest flaw: blind boosterism. The general consensus is that Peña is an honest, enthusiastic guy—a world-class salesman and cheerleader for whatever constituents or projects he represents. Throughout his term at transportation, he frequently—and accurately—noted that his department was a much stronger advocate for U.S. airline interests than his predecessors'. (Of course, it can be argued that Peña's greatest failure was in taking nearly four years to realize that, rather

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than serving as the airline industry's top lobbyist, the DOT should focus on airline safety. Yet consistently, the department allowed the FAA to trail far behind the National Transportation and Safety Board on such issues.) The same was true of Peña's tenure in Denver. Elected on the campaign slogan "Imagine a great city," the energetic Peña set about selling Denverites on massive construction projects that would bring the city international acclaim.

Once the salesmanship part of the presentation is over, however, Peña has trouble on the follow-through. In Denver, he became notorious for selling the city on "megaprojects" that involved spending millions of taxpayer dollars and offered little in return. (In 1991, a group of disenchanted voters launched an unsuccessful recall attempt.) Among Peña's pet projects were the Denver convention center, which prompted a battle over the facility's proposed location and has proved a disappointment in terms of event bookings; the city's short-lived Grand Prix, which cost millions to put on and disrupted area traffic; and, of course, Federico's greatest folly, Denver International Airport.

DIA may be the best example of the triumph of cheerleading over follow-through. Peña sold the idea for the behemoth construction project to voters and investors as a way to make Denver an international travel center; in 1990, the city did a bond issue based on an estimated price tag of $1.7 billion. In 1995, DIA opened, a year behind schedule; several billion dollars over budget (thus far, costs have exceeded $5 billion); and with most of its multi-million-dollar baggage system nonfunctional (as it remains today). As for turning the area into a major air hub, not one non-stop intercontinental flight goes out of DIA, and only a couple of flights leave daily for Mexico and Canada. In 1994, investors were so incensed with what they perceived as a misrepresentation of the project that they filed suit against the city with the SEC (who eventually bowed out, leaving the issue to the courts). "Peña would get the city into the damnedest boondoggles, not because he stood to personally profit, but because he couldn't say no when somebody brought him a project," notes Don Bain, the chairman of the Colorado Republicans who ran unsuccessfully against Peña in 1987. "He was awfully good at promoting and boosting, but not awfully good with hard choices."

The equally stark lack of leadership and policy savvy Peña displayed as transportation secretary had him on most people's short list to be replaced in Clinton's second term. But come December 1996, the reelected Clinton administration found itself again engaged in the affirmative action Cabinet-shuffle. With Henry Cisneros's departure from Housing and Urban Development leaving the President's inner circle without a single Hispanic politico, "they were running around at the last minute, despairing of finding a good Hispanic candidate," says a source close to the selection process. "Basically, Peña was available." Thus, Federico F. Peña emerged reborn as the secretary-designate for the U.S. Department of Energy.

Peña, however, is clearly even less prepared to run Energy than he was Transportation, a point the media have had a field day with. *The New Republic*'s Hanna Rosin, for example, skewered Peña with an anecdote about veteran DOE staffers using high-school physics texts to help the nominee cram for his confirmation hearings.

But sending an unqualified individual to head up the nation's Energy Department isn't really funny. If Peña's boosterism was of limited use in Transportation, it will be of even less help in deciding issues such as how to deal with high-level radioactive waste disposal. And the fact that Hazel O'Leary, although more qualified, was considered even less effective than Peña is little comfort. One gets the feeling that Clinton has reserved the DOE as the darkened corner (or, as one attorney who works closely with the department calls it, "the Black Hole of Calcutta") into which he shuffles his least impressive, quota-satisfying Cabinet members. Of course, this doesn't seem to bother Republicans, who have made it clear that they have little use for the DOE and would just as soon see it dismantled and many of its functions placed under control of the Defense Department. With this in mind, you would think a concerned administration would have replaced O'Leary with a sharp, well-respected expert. With an effective leader, maybe the department could finally get down to addressing key issues such as getting its nuclear clean-up program on track and developing alternative energy sources, or at least maximizing use of the ones we have, so that the U.S. is less dependent on foreign oil.

Instead, Clinton simply waved Peña in the direction of the confirmation hearings, and the Senate ushered him through, with just a token fuss over his lack of qualifications. This despite earlier warnings by the confirmation committee that the White House had better send them "a qualified nominee who can competently address nuclear waste issues and DOE control of our weapons programs."

Federico Peña's principal qualification is his race. You know it. I know it. The folks in the administration know it. Of course, a couple of people I talked with pointed out that Peña has had experience running

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a federal department. Yes—and running it quite poorly, by all accounts. Having once done something should not be confused with having done something well.

The Queen of Schmooze

The choice of Alexis Herman for Secretary of Labor is an entirely different proposition. The only African-American woman nominated to the Cabinet, Herman is a major D.C. player whose experience with the Labor Department dates back to the Carter administration, when, at age 29, she became the youngest person ever to head the department's Women's Bureau. Her selection by Clinton, and the Senate's subsequent delay in setting a date for her confirmation hearing, were tracked closely by both civil rights and women's groups. To head off any urge Clinton might have to abandon Herman, the AFL-CIO and various civil rights and women's groups rallied, calling press conferences to condemn the hold up as both a racist slap and, as *The Washington Post*'s Dorothy Gilliam characterized it, a clear case of "an eminently qualified woman" running up against "a political glass ceiling."

Unlike Peña, Herman's professional qualifications haven't been of particular interest to Congress. Rather, the Senate Labor and Human Resources Committee is fixated on the nominee's sketchy "outreach" activities while head of the White House Public Liaison's Office—many of which rode that increasingly blurry line between marshaling support for presidential policies and marshaling campaign donors.

Naturally this is the point Republicans find most interesting, because it deals with the Democrat's fundraising protocol and has the greatest potential for embarrassing the President and his heir apparent, Prince Albert. In its March cover story on Herman, *The American Spectator* (*TAS*), for example, questions her involvement with the much-scrutinized trade missions headed by one of Herman's mentors, the late Commerce Secretary Ron Brown. Notes *TAS* reporter Byron York, "Congressional investigators have long suspected that the missions functioned as Brown's payoff to corporations that had made big contributions to the DNC."

Also of interest has been whether, in her pre-1993 private consulting work, Herman profited illegally from her many political connections. There's certainly no question that Herman is well-connected. When I asked a longtime friend of hers for the names of a few people to talk with about her qualifications to head Labor, he reeled off a list of patrons, colleagues, and supporters that reads like a page from *Who's Who in African-American Politics*: Jesse Jackson, Andy Young, David Dinkins, Willie Brown, Maynard Jackson. Introduced to civil rights politics at an early age—her father sued the Democratic party to win blacks the right to vote—Herman has enjoyed the patronage of the movement's various luminaries throughout her career. Jesse Jackson and Ron Brown are among the most frequently mentioned (especially since Jackson lobbied hard for Herman's Labor nomination). But perhaps just as noteworthy is Ernest Green. Currently under investigation by Congress and the FBI because of his ties to Chinese investment banker and arms dealer Wang Jun (one of the Asian businessmen suspected of trying to influence U.S. foreign policy with campaign donations), Green holds symbolic significance for Bill Clinton as one of the nine African-American students who integrated Little Rock Central High School in 1957. Before entering the Carter administration, Herman was the head of the Minority Women Employment Program for Green's nonprofit training organization, RTP Inc. When Green went to Labor in 1977, Herman followed. Following the Reagan victory in 1981, the pair left the department and co-founded the marketing and consulting firm of Green-Herman. Then, after Clinton's election in 1992, Herman served as Green's deputy director of the Clinton transition team.

From Green (and later Brown), Herman learned the finer points of deal-cutting and navigating Washington's revolving door. As head of the Employment and Training Administration in Carter's Labor Department, Green may be best remembered for his involvement with the infamous "midnight contracts." In the weeks prior to Reagan's arrival at the White House, Green and his staff sent out hundreds of telegrams promising millions in discretionary CETA funds to organizations such as Green's former firm, RTP (which Green insisted had nothing to do with his former ties to the company), and Jesse Jackson's PUSH (which eventually fell apart for lack of evidence the organization was accomplishing anything). The department later rescinded many of the last-minute grants, but Green staunchly maintained that he had broken no laws. Subsequently, the newly formed Green-Herman consulting group went to work for a number of the organizations that had received these contracts, including PUSH.

Green left the firm in the mid-80s. Herman changed its name to A.M. Herman & Associates and continued consulting, even after she was named Ron Brown's chief of staff at the DNC in 1989 (a situation rife with conflict of interest possibilities). During this period, she maintained her close business relation-

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ship with Jesse Jackson. All through the '80s, Jackson's PUSH frequently threatened boycotts against companies whose minority hiring practices it considered inadequate. Often, Jackson would recommend that the targeted company consult Herman's firm in order to improve their policies and practices.

Eyebrows have also raised over reports that Herman profited from rules she wrote while in the Labor Department regarding mandatory minority ownership in federal contracts. Among the most notable (and lucrative) are D.C.'s multi-billion dollar Federal Triangle project and the Market Square construction project, in which Herman was given an ownership stake now worth more than $500,000. As each new question about her past emerges, Herman (à la Ernie Green) maintains that she has done nothing illegal.

But although they make for hot headlines and tasty innuendo, the details of Herman's alleged financial and fund-raising misdeeds distract us from the larger problem: Alexis Herman is the consummate Washington player, the ultimate behind-the-scenes wheeler-dealer, well deserving of her long-standing reputation as "the queen of schmooze." (And Herman is the first to admit this. As she told an interviewer for *Business Mexico* following her all-female trade mission to Mexico last April: "I always say that contacts equal contracts.")

What's wrong with that, you ask? Nothing, if you're the head of a lobbying firm—or the director of the White House Office of Public Liaison. But the Labor Department is not so much in need of a schmooze maister as a strong, motivated leader in the secretary's seat to focus attention on the concerns of the nation's workers. And, her considerable deal-making talents aside, Herman doesn't quite seem to fit the bill—something that labor leaders pointed out prior to her nomination.

It's no secret that union groups initially opposed Herman, throwing their support behind former Pennsylvania Sen. Harris Wofford. Once Clinton put Herman's name up for consideration and the nominee drew fire from congressional Republicans, labor relented and came out in her favor. But according to one AFL-CIO official, the unions fear that Herman simply lacks the stature to be a strong, effective advocate for their issues. Or, as an administration staffer who dealt with Herman in the Public Liaison's Office notes: "She's too much of a lightweight for the job."

The unions have also expressed concern that Herman, unlike Clinton's first-term labor secretary Robert Reich, lacks the commitment or inclination to fight for their interests. Although her early career was spent working to move women, and particularly minority women, into the workforce, Herman's primary experience with labor issues—both in government and as a private consultant—has been in designing workplace policy for businesses. And her work in the Liaison's office focused heavily on business outreach. (It is telling that, despite four years in a job where she was essentially paid to make friends for the President, Herman did not win the confidence or support of the unions.)

Now more than ever, the American worker needs a friend in the Cabinet. Having fallen from its comfortable position of power in the 1980s, the organized labor movement is at a crucial point. Despite the efforts of AFL-CIO President John Sweeney, membership is down, and unions have come under renewed political fire from the GOP for their efforts on behalf of Democrats last election. And although unions sometimes fall prey to corruption and parochial self-interest, they still play a vital role in protecting the interests of the average worker. What's more, a strong Labor Department could help encourage unions to stay focused on issues that benefit the overall workforce (and the nation) rather than on narrow union concerns.

Nor is it just organized labor that stands to lose if the Labor Department inherits a secretary more interested in cutting deals than in shaping important policy. Under a Herman regime, the department's focus on issues that affect the working poor, such as the minimum wage and adequate child care and health care coverage, would not likely receive the attention they did under Reich. Similarly, Reich's fledgling attempts to overhaul the country's vocational education programs would likely fall by the wayside, as would his crusade to hold garment manufacturers accountable for the use of sweat shops in the creation of their products (an issue the garment industry has already expressed optimism that Herman will be "more open-minded" about).

By nominating Herman for secretary of labor, President Clinton may have scored political points with women and civil rights groups—as well as with Herman's numerous well-connected friends. But where will her likely confirmation leave the Labor Department for the next four years? In this time of government bashing and budget cutting, without a strong leader focused on and committed to the important issues, Labor (and the working people whose interests it represents) runs the risk of becoming about as ineffective, pointless, and neglected as, say, the Department of Energy. ●

Research assistance provided by Sherri Eisenberg.

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Memo *of the* Month

State of New Hampshire

PERSONNEL APPEALS BOARD
25 Capitol Street
Concord, New Hampshire 03301
Telephone (603) 271-3261

Notice of Receipt, Docketing and Scheduling

Thursday, December 19, 1996

The New Hampshire Personnel Appeals Board, will meet in public session under the authority of NH RSA 21-I:58, on **Wednesday, January 8, 1997, at 9:00 a.m.** in Room 411, State House Annex, 25 Capitol Street, Concord, New Hampshire, to hear the following appeals. The appeals will be made by **OFFERS OF PROOF** by the representatives of the parties (or the party).

Phyllis Dobe - Docket #97-D-5
Department of Labor

For the Appellant: State Employees' Association, Field Representative
For the State: Diane M. Symonds, Commissioner

Ms. Dobe, an employee of the Labor Department, is appealing a May 22, 1996, written warning issued to her for sleeping at her desk. Ms. Dobe alleged that she had not been given sufficient time since her first warning to correct her problem of sleeping at work. She also alleged that the Department of Labor had an obligation to be more proactive in assisting her with overcoming her "sleeping problem."

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How to Make College Affordable

No one is talking about the best and cheapest solution

BY NURITH C. AIZENMAN

UNLESS YOUR LAST NAME IS ROCKEFELLER, chances are you're unnerved by the sky-rocketing cost of a college education. Perhaps you've heard that between 1981 and 1995, tuition at even traditionally affordable public colleges increased by 234 percent—almost three times as fast as median household income. Not to worry. Help, or rather, the politicians are on the way. President Clinton has introduced a series of measures that, he claims, will make at least the first two years of higher education affordable for everyone. The good news is that Clinton's plan has sparked a spirited debate. Deep thinkers from both ends of the spectrum have come forward with proposals of their own. The bad news is that the most effective—and least costly—solution isn't even being mentioned.

The debaters fall into two camps. On one side are the tax break cheerleaders. Included in this category are hard-right Republicans, who favor a variety of measures—like allowing people to deduct part of the interest on their student loans—that are of dubious benefit unless you happen to be in a high tax bracket. Also in the tax break camp is Bill Clinton, who is touting a less regressive plan. Still, Clinton is hardly mounting a socialist revolution. One of his main proposals, to let families with incomes of up to $100,000 take a tax deduction of up to $10,000 for the cost of higher education, is as generous a gift to the upper middle class as anything the GOP could come up with. To mollify the critics, Clinton has also suggested a tax credit to allow families to keep up to $1500 a year for the first two years of postsecondary school. Since students would have to deduct any federal grant money they receive from the credit, the main beneficiaries would be those in the lower-middle class, who earn too much to qualify for grant assistance, but not enough to really gain from the deduction. The cost of Clinton's tax breaks: $36.2 billion over the next five years.

In the second camp are those who claim federal grants are the way to go. Members of this group include think-tanks like The Institute for Higher Education Policy, which recently co-published a report pointing out that even Clinton's tax credit is of no help to the people who really need it: low-income kids who can't afford to go to college. The meteoric rise in the cost of college, combined with the dramatic decline in government assistance, has hit these kids particularly hard. From 1981 to 1994 the real value of federal "Pell grants" fell by 22 percent. According to economist Thomas Mortenson's analysis of the government's Current Population Survey, today less than 10 percent of kids from low-income families earn a college degree—compared to 80 percent of those in high-income households. Instead of wasting billions of dollars on tax breaks for middle-class students who would go to school anyway, the grant advocates argue, why not spend it on more and larger grants to the neediest students? The Clintonites counter that the point is moot. To ask for anything more than the small Pell grant increase included in Clinton's budget is hopelessly naive, sighs David Longanecker, Assistant Secretary for Postsecondary Education. "We're working with a Congress that doesn't give us that option."

But by framing the issue as a choice between tax breaks or grant increases, Longanecker and the rest ignore a crucial point: there's a third option—one which is far more effective and a whole lot cheaper than either grants or tax breaks. What's more, this plan, or at least a flawed version of it, is already on the books. All that's needed is to get rid of the defects and to implement it properly.

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The Third Way

The idea, in its ideal form, is deceptively mundane. Instead of requiring students to pay back their college loans on a fixed schedule, give them the option of taking out long-term loans that are "income-contingent." In other words, the student's monthly repayment is set according to his ability to pay. If his income is low one year, he will pay less back. If he gets a big raise the next year, his payments will go up accordingly. This plan is hardly new: it's been advocated for years by such diverse figures as conservative economist Milton Friedman, and neo-liberal writers Walter Shapiro, Mickey Kaus, and Timothy Noah.

The seemingly simple "pay-as-you-can" formula has enormous potential. And unlike tax breaks or grants, it helps people in all income groups. Working-class students who take out an income-contingent loan will not be forced to repay their debt in impossibly large installments—making them far less likely to default. Middle-class graduates who want to go into useful but low-paying fields, like teaching or social work, will be able to afford that choice. Lower-income kids contemplating college will no longer be discouraged by the fear of taking on a financial burden they might be unable to carry upon graduation. In short, if income-contingent loans were to become widely available, college could become affordable and accessible to everyone. An added bonus: since students would increasingly be the ones paying back their loans, they might be more likely to insist on getting their money's worth, spending less time partying and more time studying, and pushing their schools to reciprocate with lower prices and better quality.

Finally, there's the wonderful boon to taxpayers. Because unlike Clinton's tax breaks, which would set the treasury back $36.2 billion, or grant increases, which would involve additional government spending, a fully implemented income-contingent loan plan would be relatively cheap. The majority of the loans would be financed by the banks. As for the portion financed by the government, the loans would eventually be repaid. Thus the same sum of money could be used over and over again to help successive generations go to college.

How the plan SHOULD work

So what's the best way to make income-contingent loans widely available? Well since these loans may involve long repayment periods that make them potentially less secure and profitable, banks are unlikely to provide them without an incentive. And what better inducement than a little competition from Uncle Sam? By getting into the student-loan business the government would not be attempting to take it over—after all, why use taxpayer money if the banks are willing to do it? Rather, the aim would be to encourage more banks to offer students the pay-as-you-can option and—in the event the banks don't bite—to ensure that all students at least have access to it through the government's program.

There's plenty of precedent here. The Tennessee Valley Authority (TVA), for example, was established in 1933 in part to make cheap electrical power available to the area's inhabitants. The result was to spur nearby private companies, which had been charging twice as much as the TVA, to offer their own customers lower rates.

To prevent borrowers from lying about their income, banks could be allowed to forward cases of suspected cheaters to the IRS for verification. The penalty for fraudulent reporting would be severe. And the IRS could ensure repayment of government loans, as well as defaulted bank ones, by taking the repayments directly out of borrowers' paychecks, as if they were just another tax. That's better than asking people to mail in checks, and helps prevent defaults—not because the IRS has been operating at optimal efficiency lately (it hasn't), but because adding a line or two to the federal income tax form is a lot more effective than other means of collection.

To further sweeten the deal for banks, the government would guarantee income-contingent loans—as it already does with the garden-variety kind. At present about 10.7 percent of students default on their loans. Clinton can be justly proud of the fact that by clamping down on abuse, his administration brought the default rate down from a high of 22.4 percent four years ago. Presumably the pay-as-you-can option would make defaults even more rare—students would have as long as they needed to pay off their debt and, since the average college graduate earns $1.4 million over his lifetime, almost all of them should be able to swing it.

Practice Makes Imperfect

Unfortunately, although an income-contingent loan plan is already on the books—introduced and signed into law by Clinton in 1993—the program has yet to fulfill its potential. That's because both the legislation establishing such loans and the Clinton administration's efforts to implement it have been problematic.

To begin with, Congress kept the IRS out of loan collection. You would think this was the result of a heated argument between our elected officials over the danger of expanding the IRS's power, or the need to protect the sacred confidentiality of taxpayer records. Think again. According to Steven Waldman in his book *The Bill*, the measure was killed because of turf squabbling by committee staffers in the House. The Education

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and Labor folks worried that involving the IRS would give their counterparts in Ways and Means an excuse to grab the student loan issue. The Ways and Means staffers hated the idea of tinkering with the IRS—and were outraged that they hadn't been consulted about this incursion on their territory. Anxious not to get bogged down, and mindful of the fact that they'd soon be relying on the Ways and Means staff to get the President's economic plan through the House, the administration caved. Who says politicians have all the power?

Petty though it was, this episode had unfortunate consequences. Whether offered by the government or banks, pay-as-you-can loans are unlikely to work unless the IRS is involved. And at this stage in the game, IRS involvement will not be an easy sell. After all, it's the agency everyone—particularly the Republicans who now control Congress—loves to hate. But a firm commitment from the President could go a long way. Instead of criss-crossing the country stumping for tax deductions, Clinton ought to be using his considerable powers of persuasion to explain the benefits of IRS loan collection. After all, the purpose of using the IRS would be to crack down on deadbeats—a point which ought to warm the hearts of hard-line Republicans everywhere.

While he's beating the drum for IRS involvement, Clinton could also talk about the second flaw Congress inflicted on the student loan program. Incorporated into Clinton's original plan was a provision to forgive income-contingent loans 25 years after a student has graduated, regardless of how much he has paid back. Although the 25-year forgiveness option had been floating around for years, the decision to incorporate it was, once again, dictated by staffers and disturbingly free of thoughtful debate. According to Waldman, a 20-year provision was thrown in at the suggestion of aides to Senators Nancy Kassebaum and James Jeffords just before the Senate mark-up—after a discussion of no more than 10 minutes. Later, in conference committee, the amnesty was changed to 25 years—again with minimal consideration.

Proponents of the forgiveness clause maintain that if it's taking someone such a long time to pay off their loan, chances are they are repaying it in installments that are so small they're not even covering the monthly interest on the money they still owe. As a result,

Guaranteed Rip-Off

While it's a good idea to keep commercial banks in the student loan business, the current system is badly in need of reform. Back in the 1960s, when the federal student loan program was first established, banks were wary of lending to young students with no credit history and no collateral. To entice them, the government offered to subsidize and even guarantee all student loans. Although these loans have since proved extremely profitable, almost all of the original perks are still in place. In 1996 the government paid out $3.6 billion in subsidies and guarantees to generate $16.4 billion in loans—that's about 22 percent in overhead.

The system is clearly bloated with overly generous handouts. To Clinton's credit he wants to cut many of them, for a total savings of $3.47 billion over five years. Among the worst perks are large bank subsidies and unnecessary benefits to secondary markets (like "Sallie Mae") that buy loans from them. But by far the most outrageous racket is being run by the system's middlemen: the "guaranty agencies." These quasi-governmental entities use federal funds to reimburse banks for defaulted loans and then attempt to collect the money from students. If they succeed, they get to keep a whopping 27 percent of what they recover—compared to the average 18.5 percent private collection companies pocket. If they fail, they just pass the bill on to Uncle Sam.

Clinton estimates that by lowering the 27 percent rate to 18.5 percent, taxpayers would save $457 million over five years. In addition, he predicts a five year savings of $110 million by making banks pay the allowance guaranty agencies get for attempting to prevent defaults—money they keep regardless of whether they are actually successful. Then there's the $690 million students would save if guaranty agencies were prohibited from charging them a one percent fee. That's on top of the administrative fee the agencies charge the government. Finally, there are the $2.5 billion in government reserves the agencies are sitting on. The reserves were originally intended to help agencies cover defaulted loans. But since almost all reimbursements come directly from the government, the reserves are unnecessary.

Clinton is right to try to cut all this fat out. But he faces a tough fight against a powerful foe. Although the biggest guaranty agencies are technically not-for-prof-

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instead of slowly chipping away at their debt, they are actually building up an ever-larger liability. What's more, anyone who is still in arrears after 25 years would by then be burdened with the additional cost of their children's education, so their debt ought to be forgiven. Ironically, under current law the amnesty hardly provides a free ride: borrowers must pay taxes on the amount that is forgiven, and these can be very high.

But the greatest danger is that by forgiving the loan, the government is, at worst, rewarding irresponsibility, and at best, over-compensating those who are happily pursuing their life's dream without having to worry about paying back the taxpayers who helped them accomplish it. Most importantly, the provision is fundamentally unfair to the folks who work hard to repay their loans before the cut-off.

Long-term loans of say, 35 years, are not without their disadvantages. As anyone with a home mortgage will attest, the longer the term of a loan, the greater the interest that must be paid on it. But just as long-term mortgages democratized home ownership in America, so can long-term student loans democratize higher education. Making those loans income-contingent would increase their impact still further.

As if the 25-year limit on income-contingent government loans were not troublesome enough, the banks face an even more severe restriction: a 10- to 15-year limit on the repayment period of the student loans they can offer. Although Congress took the positive step of requiring banks to give students the choice of income-"sensitive" repayment (the bank version of pay-as-you-can), it left the limit in place. This was a crippling blow, because unless a loan is long-term, repayments on it (income-sensitive or otherwise) can never be made low enough to be widely affordable. Clearly, the 10-year limit must be removed.

Clinton has proposed some remedies, like requiring the banks to offer long term "extended" loans and lifting the 10-year limit on the "graduated" loans banks must now offer. (Under the latter plan the student pays back his loan in gradually increasing installments.) However, Clinton's proposal does not call for any change in the 10-year limit on income-sensitive loans.

A for Effort, C- for Results

That's not the only thing Clinton has done wrong. The administration's well-meaning, but sorely misguided effort to implement the income-contingent loan plan passed by Congress has been equally damaging. The problem is actually two-fold. To begin with, instead of trying to spur banks into offering pay-as-you-can loans by providing them with government competition, the administration has attempted to take over the student loan business altogether. As for the banking industry, it has responded by doing everything in its power to keep the government out. The result has been a stalemate.

The Clintonites' initial reasoning was that the old system of heavily subsidized banking entities [see sidebar] is expensive, enormously complex, and incapable of offering income-contingent loans. The only answer, they decided, was to get rid of the banks and start from scratch. If the government were to become the sole provider of student loans, it would no longer have to waste money on industry subsidies and guarantees. Students would also benefit because the cost of capital is lower for the government than it is for banks and, since it's not out to make a profit, the government could pass all of that savings on to students in the form of lower fees and interest rates. And the system would be more user-friendly for both students and schools—who would only have to deal with one lender, instead of thousands.

But while the administration was right to focus on problems in the old bank system, it was wrong to conclude that the solution is to consign that system to the

it corporations, these enterprises are some of the most lucrative in America. The largest, part of a company called USA Group, earned over $100 million in tax-free revenues above its expenditures in 1995. USA Group's then-CEO Roy Nicholson got a $1 million salary that year, and its top 6 officials averaged $400,000 a piece. These executives have their offices in the company's sleek $32 million Fishers, Indiana headquarters. And they make large campaign contributions to sympathetic Republicans. *The Baltimore Sun*'s David Folkenflik reports that USA Group executives gave out more than $30,000 in personal contributions in 1994 and almost $70,000 in 1996. The firm has also paid over a million dollars to Washington "consultants"—all for the purpose of preserving the system which has served it so well.

USA Group argues that the fees it charges allow it to provide high quality service, and the salaries it pays attract executives who must also run for-profit affiliates.

But this raises the question of why guaranty agencies need to be non-profit in the first place. They should either be privatized, and forced to offer competitive prices and pay taxes on their profits, or they should be replaced by the IRS, which would simply add loan repayment to the tax it already collects—eliminating much of the 22 percent in overhead the government currently spends to generate student loans. —N.C.A.

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dustbin. Remember, when the banks make a loan they use their own money—instead of that of taxpayers—so it's a good idea to keep them in the game. The Clintonites also fail to appreciate the value of competition. Not only can it force the banks to offer students better service and more attractive repayment options, but competition is an excellent means of preventing the government from running a sloppy program.

As for the massive subsidies currently paid out to the banking industry, all that's required is for the government to cut out the more outrageous perks, while carefully leaving intact those that are needed to keep the banks in business. Among the indispensable subsidies are those which enable banks to offer students the same low interest rates the government does. In administering these subsidies the government will have to err on the side of caution (or risk driving out the banks). Thus the banks will invariably receive at least a little more than they actually need. That's a necessary evil. However if the banks start taking advantage of the subsidies to undercut the government by offering significantly lower rates, it should be taken as a sign that there's still too much fat.

Sadly, the administration remains determined to replace the banks with "direct" government lending. Initially, it was expected that schools would switch over to the government's more user-friendly program in record numbers. But that was before the newly-elected Republicans in Congress—who were far more sympathetic to the banking industry than their predecessors—voted direct lending out of existence. Even though Clinton vetoed the measure, schools were spooked. If the government's program was in danger of extinction, why change over to it? Particularly since making the switch requires them to adopt a new system of paperwork and computer software.

By now the Clintonites have accepted that, for the foreseeable future, direct and bank lending will coexist. But that doesn't mean the administration has started pushing for the type of competition needed to make the income-contingent plan work. Instead, it is stuck in the old mind-set of competing with the banks to get schools to sign up for direct lending—and assuming that schools can only offer one program. That is the wrong approach. The best way to ensure that students get good service, low rates, and a well-administered pay-as-you-can repayment option is to make the government and the banks compete directly for students' business. For that to happen, every school must be able to offer students both programs.

As a result of the administration's misdirected strategy, income-contingent loans are still not widely available. Although in the 1996 academic year almost 40 percent of students who took out federally guaranteed loans got them directly from the government, it's important to point out that only about 20 percent of schools offer their students such loans. True, after they graduate, students do have the option of consolidating their debt into one pay-as-you-can loan from the government. But the basic problem remains that at almost 80 percent of schools, students are not presented with the income-contingent option when they are first considering whether they can afford to finance their education.

To remedy this situation, the Department of Education must stop trying to convince schools to abandon the bank program and start making it easier for them to add the government's program to their existing mix. The case could be made to schools, which already deal with hundreds of banking entities, that taking on the direct loan program is no harder than adding another bank to their roster—particularly if the department makes its procedures compatible with those of the banks.

The Department must also do a better job of explaining the benefits of income-contingent loans to low-income students. Numerous studies have shown that most low-income students are unwilling to take advantage of government assistance if it comes in the form of loans as opposed to grants. Not surprisingly, they are reluctant to borrow sums that are larger than anyone they know has ever laid eyes on—let alone earned. With the pay-as-you-can option, they will never face repayments that are more than they can afford. But low-income students are unlikely to appreciate that unless a concerted effort is made to educate them about how to make wise use of the income-contingent option. The textbook-style loan handbook currently distributed by the department isn't going to do the trick.

If Clinton really is committed to making higher education affordable for every American, he has much to do: Instead of fighting to get low-income students meager grant increases, he needs to focus on making income-contingent loans available. Instead of defending expensive tax breaks which disproportionately benefit the upper middle class, he needs to lobby for legislative changes—like getting the IRS in on loan collection, lifting the 10-year limit on bank loans, and removing the 25-year amnesty—that are needed to make the pay-as-you-can option viable and fair. A fully implemented income-contingent loan plan offers an incredible opportunity to make higher education widely accessible, without burdening the government with huge expenses. Unfortunately, as long as the issue is framed as a choice between tax breaks and grant increases, the best answer to the college affordability crisis will continue to languish in post-legislative limbo. ●

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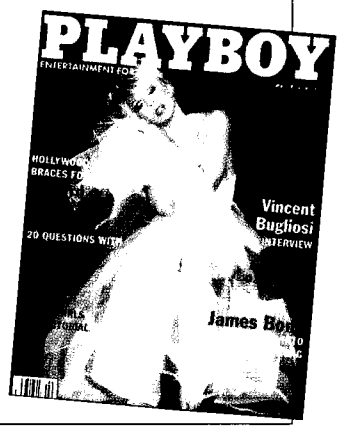
Tidbits & Outrages

I Only Buy it for the Articles—Really

The Library of Congress spent $60,000 last year to create a braille edition of Playboy *magazine.*



Judge Ito Presiding

The federal District Court of Maryland recently held that Paladin Press was not liable for a triple murder committed by a reader who used two of the publishing house's books as instruction manuals. The books in question were Paladin's *Hit Man: A Technical Manual for Independent Contractors* and *How to Make a Disposable Silencer, Vol. II.*

So Much for the Designated Driver

Angry over having to drive her drunken roommate home, an Indianapolis woman doused her friend with fuel from a gas station pump, then set the woman on fire.

Ouch, That Was a Tree!

The state of Vermont publishes its fishing and hunting regulations in braille.

Just Send the Ticket to Dow Corning

A Florida teacher got a DUI charge dropped by arguing that, at the time she was pulled over for drunk driving, she had appeared disoriented because one of her silicone breast implants had ruptured and poisoned her nervous system.

Class Action Suit?

A Wisconsin woman is suing her psychiatrist for convincing her that she had 120 personalities, then proceeding to charge her insurance company for group therapy.

For Medical Reasons Only

Prison authorities in Colombia's Buga prison recently discovered that inmates have been smuggling marijuana into the facility via homing pigeons. The system was uncovered when one of the birds flew into an outside wall and was found with eight grams of marijuana strapped to its feet.

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Most often these days it seems that, when people hear about some new example of bureaucratic ineptitude, they say to themselves or—to anyone who is listening—"That just shows government doesn't work."

There are also those who, like Charles Murray in his recent book What It Means to Be A Libertarian, *argue for minimum state involvement because they see most government as an unnecessary infringement on the freedom of the individual.*

What this magazine tries to do is different. We look at the institutions that govern us to see whether what they are doing needs doing, if so, how they could do it better, and if there is anything they aren't doing that they should be doing.

This is the approach taken by the authors of the two articles that follow. It is one we hope to encourage other journalists to follow, instead of just attacking government as so many of them seem content to do.

Why the Right May be Right

After two decades, why is the Department of Education still ignoring the basic problems plaguing our public schools?

BY GREIG M. O'BRIEN AND CHARLES PETERS

THE CONGRESSIONAL COMMITTEE THAT led the 1995 charge to abolish the Department of Education has embarked on a new mission: Officials are examining more than 200 DOE programs to determine if any stars in the vast universe of federal education programs are actually shining. When asked if GOP members see the investigation as an opportunity to scrounge up dirt for use against the department, a key Republican official on the committee gasped. "If you printed it like that," she said, some Republicans would "just have a heart attack."

And for good reason. Republicans know their constant harping against the Education Department cost them among women voters in 1996—and they know the gender gap at the ballot box cost them the White House. There were signs the issue was a real stinker for them back in September, when GOP pollsters found that 54 percent of registered Republicans were against eliminating the DOE. Their post-election analysis has harped on the point. "Women voters most concerned about education generally didn't vote for [Dole]," Haley Barbour said recently. "All they heard was, 'Get rid of the Department of Education.'"

Against this backdrop, it is not surprising that talk of eliminating the DOE has dwindled from its frenetic height in 1995, when Florida Republican Joe Scarborough declared, "The great federal experiment in education is over." Today, instead of bluntly asking, "What good is the Department of Education?" some Republicans are taking a more moderate (and politically savvy) approach. The goal, say GOP officials, is to improve educational services for students from kindergarten through high school, and the central issue is—do federal programs under the DOE support that aim?

That's a question that liberals—still basking in the warmth of an issue they owned in '96—will not pose. But they should, because nearly 20 years after its founding, the Department of Education is still failing to address the root causes of America's educational decline.

The fact is, we've known what has been undermining America's public school system since before the DOE was founded in 1979. Administrative bureaucracies, especially in large cities, tend to be feather-bedded, sometimes grotesquely so, and too many administrators are selected on the basis of cronyism rather than merit. Too

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many teachers can't teach, either because they don't know the subject they've been assigned or because they're just plain inept. And too many bright people who could be wonderful teachers are kept out of public schools—even though they know their subject better than most who are teaching it—because of credentialling requirements that have much to do with the prosperity of teacher training institutions and little to do with the competence of teachers.

There is at least one glaring reason why the department has failed to take on these thorny problems–instead, spreading its resources among the hundreds of smaller programs now under review. DOE officials often have ties to (or come from the ranks of) the "constituents" they advise: the teacher unions, researchers, administrators, college presidents, and lobbyists. The department often tailors its actions to address the narrow interests of these "constituents," regardless of whether such actions best serve students, their parents, or the national interest in a better-educated populace. With so many disparate groups pushing for their parochial needs to be filled, it's no wonder the department is bogged down in a forest of specialized programs. As one official with a federal agency that works closely with the DOE notes, "While there are lots of talented, well-meaning people in the department, they are so tied to their constituency groups and the education establishment that they're in no position to lead reform."

Up to this point, most liberals—the very people you would expect to be most interested in making the department run effectively—have refused to acknowledge this problem. When confronted with the argument that the DOE is too wedded to special interests, they put up their defenses automatically, mouthing tired excuses about insufficient funding and a lack of qualified educators entering the field. To some degree, this reflexive response can be understood when we consider all the years liberals have spent defending the department from abolition: When attacked, a good defensive posture is to withdraw like a turtle into a warm, comfortable universe free of tormentors.

But by failing to face the department's failures, liberals hurt the cause of reform, and provide fuel for abolitionists, who are waiting for the political winds to shift again to relaunch their attack. And next time around, if the department can't point to solid success stories, the GOP will be better prepared to discredit—and dismantle—it. Maris Vinovskis, a senior adviser to the department under both Bush and Clinton, puts it this way: "If the value added by the federal government...doesn't really help the kids, who needs us?"

Still Not Making the Grade

Republicans have been asking this question since the department's inception in 1979, when it was created by President Carter in part to satisfy a campaign promise to the National Education Association. Conservatives considered the department a waste of taxpayers' money and a federal intrusion on a local issue. Nor did the subsequent performance of the U.S. education system do anything to convince DOE opponents of its value. In the same year that the department was founded, Joseph Nocera reported in the May issue of this magazine that public schools around Washington had degenerated to the point where "no one connected with them tries to gloss over the problems. Such denials would look foolish in the face of...high school seniors who can't read; whole classes of tenth graders doing sixth and seventh grade work; graduates...who aren't even able to understand bus signs." After 18 years of the DOE, the situation in D.C.—the department's homebase—is even worse. A February series on District schools by *The Washington Post* revealed a system in which 70 percent of 11th graders score below grade level on standardized tests, and at least 40 percent of students simply drop out or leave. The system is currently under the supervision of D.C.'s financial control board, which, having given the school system straight Fs in a comprehensive performance evaluation, assumed oversight of area schools in 1996, essentially rendering the school board obsolete.

Nor has the situation improved throughout the rest of the country. By the start of the 1990s, nearly 2,000 students were dropping out of school each day, and the work force was flooded with graduates who lacked basic skills. The National Assessment of Educational Performances' 1992 Report Card revealed that 75 percent of students were below proficiency levels in math, and 66 percent were sub-par in English.

Today, the need for addressing the basics is clearer than ever. According to a September 1996 study by the National Commission on Teaching & America's Future, 23 percent of all secondary teachers have not even minored in their specialty fields. In the poorest schools, the report notes, "[t]housands of children are taught...by a parade of teachers without preparation in the fields they teach. ...Students in schools with large minority populations have less than a 50 percent chance of getting a science or math teacher with a license and degree in the field."

When asked what the DOE has done to enhance teacher quality, department spokesman Rick Miller says, "There are not really any programs. We're not involved in the hiring of teachers. That's a state and local issue."

Wrong. Hiring good teachers and firing bad ones

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is an "issue" for anyone interested in this country's children—and its future. And such pointless obsession with whose jurisdiction certain problems fall into is a sure way to guarantee that the situation will never improve. Right now, in far too many districts, incompetent teachers with tenure often cannot be fired; in other places, teachers with a degree in the subject they wish to teach can't enter the classroom until they pass an education curriculum. A typical story is that of a chemist in Tennessee: She has a masters in chemistry and wants to teach, but needs to go back for 15 hours of undergraduate education courses, then complete an internship, before she can set foot in a classroom; in the meantime, 56 percent of high school students taking physical science are taught by out-of-field teachers. It absolutely should be a department priority to help make it possible for public schools to hire smart, competent, caring teachers through alternative certification methods—as well as to help reform the process by which schools can get rid of incompetent teachers. What good will all of the department's research data and special programs do us if there aren't enough competent teachers inside the schools?

Miller points out that the department does run a teacher training program: It is spending $310 million on professional development this year, and has spent more than $1 billion over the last four. But according to one New York City teacher who recently left the DOE's training division, teachers rarely have any say over the types of "development" they receive. Many local administrators use federal dollars to hire slick consultants who spend only a few hours with teachers, then disappear. "We weren't keeping track of the money we spent on professional development," the teacher recalls. "We were spending millions on programs and nobody knew what was going on."

Nor is the situation inside school administrations any better. In many cases, it's worse: According to a February article in *The Washington Post*, cronyism has become a problem of epic proportions right here in the nation's capital. "Everybody's got buddies, friends, associates, relatives," James R. Daugherty, formerly director to the superintendent, told the *Post*. "It is a crony system—that's what it was all about, and it still is."

The fact that ability often has little to do with the hiring of administrators shouldn't surprise anyone. In a report on the decidedly non-educational bent of the annual American Association of School Administrators conference, Mary Clayton Coleman noted in the September 1990 issue of the *Monthly*: "Such conventions aren't about education. They're about making connections in the network of educational consultants who ultimately place most of America's school superintendents." (And a clue as to the quality of these networks—and networkers—can be found in Susan Ohanian's piece from the same issue, which noted that, for its 1989 convention, the AASA chose that renowned educator George Steinbrenner as keynote speaker.)

But don't take our word for it. The National Commission on Teaching and America's Future had this to say: "Our schools are cumbersome bureaucratic inheritances from the 19th century, not the kinds of learning organizations required for the 21st. Far too many people sit in offices at the sidelines of the core work, managing routines rather than promoting innovation aimed at improved quality." In other words, school administrative staffs are simply too big, and often preoccupied with matters that are irrelevant to the main purpose of education. The report, citing the National Center for Education Statistics, found that half of all school system staff in the nation are not classroom teachers. Compare this to the Commission's findings that, in other countries, teachers typically constitute 60 to 80 percent of total staff.

The prevalence of bloated, inefficient school bureaucracies is a problem that cries out for solving. But instead of researching how to address the crisis, or even highlighting the issue at the national level, the DOE has balked. "I wouldn't say it's not a worthwhile issue," says Miller. "But it's not something we play a role in here. Considering our mission, I don't think getting involved with local school bureaucracies is where we see the department going. That would be intruding on local control." Well, in light of how the situation has been "progressing" for the last two decades, it's clear that someone needs to intrude before public schools are bled dry by inept and unneeded administrators.

It's the same story with crumbling infrastructure, which is rapidly becoming Public School Enemy No. 1. Consider the 1996 General Accounting Office report on school facilities: After surveying 10,000 schools, it concluded that about $112 billion was needed to repair dilapidated facilities; 60 percent of schools cited at least one major building problem; and one third "reported needing extensive repair or replacement of one or more buildings." Roofs leak, floors buckle, pipes rot, and walls crackle with age. As Maureen DiMarco, former chief education advisor to California Gov. Pete Wilson, observed in a recent *Los Angeles Times* article detailing the decay of a local school district: "If these schools were prisons, they would be shut down." According to the GAO, one poor urban district can only allocate enough to paint classrooms every 100 years: Is there a prison in the country that was last painted in 1897, a year before the start of the Spanish-American War?

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Such conditions are hardly conducive to learning, yet, until recently, the department had no major initiatives devoted to stopping the decay. Last month, it finally came up with a $5 billion drop-in-the-bucket plan to meet the estimated $112 billion needed for school repairs. But at least the plan calls attention to a major problem, something the DOE, in its deference to its constituent groups, so often fails to do. Time and again, while navigating a maze where constituents dwell around every corner, the department sacrifices smart reform to bureaucratic self-interest. And often, it is the smaller abuses that most glaringly illustrate this tendency.

Closed to Suggestion

In 1992, Diane Ravitch, then assistant secretary for educational research, hired social scientist Maris Vinovskis to assess the effectiveness of the federally funded research centers and education laboratories. The 20-plus facilities scattered across the country were created in 1965 to investigate models for teaching and testing; by 1992, the government was spending about $50 million a year on research and development. For 12 months, Vinovskis poured over five years of R&D data, looking at facilities from Johns Hopkins to U.C. Berkeley. While he found some examples of excellent research, his overall conclusions were grim. One study at Berkeley drew general conclusions from case studies of one or two students in a class. Some programs were spending half of their funds on administrative overhead, allocating only meager amounts to research. He continued his work into the Clinton administration, and in 1993 handed then assistant secretary Sharon Robinson a report addressing key problems and offering suggestions on how to solve them. Without explanation, the DOE opted not to publish it.

"People were upset with what I'd written," says Vinovskis. "There was pressure to keep the report quiet."

Robinson says she considered the report "an academic work rather than an official departmental document," and denies that pressure from lab supporters played a role in the decision not to publish it. But Ravitch says the researchers considered the federal dollars theirs by right, and fought to stop publication. On April 30, 1993, Mary Kennedy, head of the research centers, wrote a letter to Vinovskis (which was cc'd to Robinson) warning: "We strongly urge you not to publish this report as it currently stands."

Why would DOE officials bury a report that outlined concrete problems and offered suggestions for improvement? Ravitch, who has written extensively on departmental flaws since leaving, notes: "There are different ways for government officials to respond to their jobs. If you see yourself as representing a constituency, it's not your job to ask, 'Are you effective?' but rather to deflect criticism and become an advocate."

A more recent example illustrates how constituencies—in this case teachers and college presidents—can prompt the department to water-down creative initiatives. In August, President Clinton announced a plan to spend $2.75 billion over five years on a new literacy program. The plan included $750 million to fund 30,000 reading specialists and coordinators to train tutors across the country. Clinton's aim: an army of no less than 1 million tutors. "America Reads" would dispatch reading specialists to train volunteers, who would in turn help elementary school children with their reading skills. As his model, Clinton pointed to AmeriCorps' SLICE program in Simpson County, Ky., where after nine months of intensive tutoring by AmeriCorps volunteers, reading comprehension for 128 second graders jumped by an average of 2.8 grade levels. It's a program that works.

But one reason SLICE is thought to be so successful is that tutors work with children during the school day. With Clinton's plan, however, the DOE is "pushing to avoid any mention of in-school tutoring," according to one source, who says that department officials have gone so far as to discourage such tutoring because teacher unions view it as an affront and an indictment of the school systems. The current plan is for the program to focus on after-school and weekend tutoring. But after school is precisely when second graders are most tired, frustrated, hungry, or pre-occupied, and least likely to focus effectively. And even after-school tutoring has raised the hackles of some teachers. "Teachers are afraid this is a criticism of what they are doing," said Jennifer Ballen, a DOE spokeswoman. Maybe. But by ignoring the AmeriCorps model, the department may have jolted the foundation of an initiative designed to reach three million children. And liberals' failure to address this conflict may have undermined their own education goals.

To compound the problem, before the initiative had a chance to pick up speed, interest-group politics intervened a second time. The conflict developed when Clinton proposed linking the college work-study program to community service, as part of the America Reads initiative. Under the federal work-study program, established by Lyndon Johnson in 1964, students earn money for college by working in campus libraries, cafeterias, and student centers. Beginning in 1994, the government mandated that each college reserve 5 percent

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of its work-study slots for community service. Clinton saw the potential to expand that percentage, and set out to assemble a corps of about 100,000 tutors from the work-study pool.

To do this, the President called for a 35 percent increase in work-study funding, and proposed dedicating half of the new funds to pay salaries for college students working as reading tutors at local schools. In December, a group of 20 college presidents signed onto the program. Support seemed to be coalescing.

But behind the scenes, a different drama was playing out. Privately, organizations representing the colleges pressured the administration not to require universities to use the new funds for off-campus tutoring. The American Council on Education, which represents 1,800 colleges, told the administration it opposed any such mandate, insisting that some colleges don't have the infrastructure to set up tutoring programs. But according to one source, many universities opposed the requirement because they don't want to lose a portion of their federally subsidized labor pool of work-study participants. In the face of such opposition, the DOE reportedly lined up behind the colleges, arguing against a mandate. "This is exhibit A of how the department is a captive of the interest groups," says the source.

Another example of special interest influence can be seen in the vocational education program. Ravitch recently briefed incoming Congress members about the billion-dollar-a-year program, and suggested the time has come to look at its effectiveness. Ravitch notes there is strong evidence vocational programs are not working: Students on the voc-ed track often miss out on core curriculum courses, and are less prepared than their peers. But, she says, the department will not advocate reforming the program or redirecting its funding. One possible reason: pressure from a veritable vocational-education industry that has bloomed from two decades of federal funding. "The money creates the constituency," Ravitch says. "Every time you create a funding stream, you create an interest group or a lobby [that will fight for that money]." Schools across the country have teachers and administrators paid to run the voc-ed courses. These people will come to Washington this year when Congress debates reauthorizing the program, and they will testify to its greatness. The DOE will not risk offending these constituents.

Vocational education is not the only area where this a problem. Many teachers will tell you one of the toughest challenges they face is dealing with kids who act out in class. When students misbehave, teachers must spend time and energy to deal with them, and lesson plans fall by the wayside. If students happen to be classified as special education pupils, the problems can be worse, because federal law generally blocks administrators from suspending children with disabilities for more than 10 days, regardless of the trouble they're causing. Problem students are frequently returned to class, where the cycle of disruption begins again.

Consider this recent example from a school in New Jersey. A neurologically impaired student with a history of cursing out his teacher, drug dealing, and vandalism is booted from class nearly 20 times. When the child is in class, the teacher is constantly struggling to keep the attention of other special ed students who are easily diverted by his antics. In juvenile court for violation of probation, the child's attorney tells the judge his client has been suspended too many times; the teacher gets a call from the parole officer: "Watch your back." Since then, the teacher has resorted to what he calls "creative ways of keeping the student out of class." For example, he'll suggest the student take some time off, but he won't call it a "suspension."

The department, the perfect pulpit for addressing the problem while remaining sensitive to the needs of disabled children, has remained strangely silent. Jeanne Allen, president of the non profit Center for Education Reform, points to one reason why: the powerful special education lobbies, such as the Council for Exceptional Children. Allen says the department's special-ed experts have become "intertwined" with leading lobbyists. As in the case of vocational education, federal laws regulating special education are up for reauthorization this year. If trends tell us anything, the department will not be quick to act, and program flaws will linger.

Vinovskis sums up this way: "The problem with the liberals is, if you believe in a program, you want to protect it from conservatives," he says, "so you downplay the problems it has. But we're not helping kids by protecting programs that don't work. And at the same time, we have to ask conservatives, 'What do you suggest instead [of abolition?]'"

Currently, it looks like the Right's answer to that question is: nothing. Conservatives would have other government departments run programs (such as student loans) currently under the auspices of Education. Republicans, in fact, have begun strategizing for a future attack on the department. Having learned from last year's political fiasco, they're honing their message. "Instead of talking about abolishing the Department of Education," Sen. Spencer Abraham of Michigan told *The Washington Post* in November, "we should be talking about sending more money back to mothers and fathers." Haley Barbour had this to say during one of his last addresses as head of the Republican National Com-

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mittee: "The sad fact is, while most women heard us say we want to get rid of the Department of Education, they never heard us say our goal is to have education money spent in the local schools instead of for the Washington bureaucracy."

But the GOP's rigid insistence on local control also misses the main point. Local governments would seem even less equipped than federal to contend with special interest groups such as the powerful state teachers lobbies. (See "Teachers' Pets," Jan./Feb. 1997.) The issue should not be between local and federal control, but between those who are willing to take on the big obstacles to better education and those who are frightened into ineffectiveness by the power of the lobbies.

If Riley's "State of American Education" speech delivered last month is any indication, the DOE is finally beginning to show leadership in the crucial areas. Here's Riley on failing schools: "We need to stop making excuses and get on with the business of fixing our schools. If a school is bad and can't be changed, reconstitute it or close it down." On administrators: "If a principal is slow to get the message, find strength in a new leader." And on teachers: "If teachers are burned out, counsel them to improve or leave the profession. If laws need to be changed, get on with it." This is the kind of hard talk that can shift the focus onto the basic problems plaguing our schools.

But as of yet, there's little sign DOE officials will march to this new tune. Instead of stepping back and marshalling their resources to address the general ailments that hold back our schools, officials are dabbling in a wide array of programs that cater to a rainbow of constituents. The reason is clear. As an administration official said recently, "If the department doesn't have the teachers' support, they don't have anything."

What the department really needs is not the support of all teachers or of their unions, but of the good teachers, those who have the ability and dedication needed to create better schools. The same applies to the support of administrators. The DOE should be on the side of those who have the necessary ability and dedication and opposed to the feather-bedded incompetents. If the DOE can rally the good guys to its side and summon the courage to take on the black hats, it will deserve the support of us all, liberals and conservatives alike. In other words, it must translate Riley's speech into everyday policy. If it doesn't, it will deserve the support of none of us. ●

Mission Creep

In this era of budget cutting, why is the VA trying to expand its clientele?

By Adam Piore

HERBERT SLUTSKY LED A CONTINGENT of protesters toward the entrance of Chicago's West Side Veterans Affairs Medical Center, tailed by an entourage of cameramen and reporters. A crowd of clergy, local residents, and veterans cheered them on, while a line of solemn veterans chanted "Nam! Nam! Nam!"

It was Martin Luther King Day. But the protest didn't have much to do with commemorating the slain civil rights leader's birthday. It was about jobs, respect, and a faceless government bureaucracy that seemed to want to do away with both.

VA officials intend to merge some of the operations of West Side with a sister VA hospital six miles across town, saving millions of dollars a year. The protesters were outraged. "It blows my mind the number of homeless veterans who come to the VA," Slutsky, a veteran and activist, explained later in describing the scene. "I'm looking at what's going on in the VA, the downsizing—The majority of vets that go to the VA, that's all they have."

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Under the plan, affecting West Side and three other VA centers in the metropolitan area, none of the hospitals would close. But with the veteran population in Chicago steadily dwindling, the city doesn't need two cardiac centers, two spinal injury centers, and two separate management teams six miles apart. The proposed consolidation is seen by some as a test of a national plan to slim down the notoriously inefficient Veterans Hospital System—the largest health care provider in the country. So far, the results aren't very encouraging. Slutsky and his army of protesters have drafted Chicago's congressional delegation, the state's two Senators, veterans' groups, and state, local, and county officials to join their battle. Word has also gone out from the pulpits of local churches that jobs are in danger. Efforts to consolidate hospital operations have ground to a virtual standstill.

The Chicago situation speaks volumes about the difficulties of reining in a $17-billion-a-year VA system that is antiquated, wasteful, and increasingly unnecessary. Although the VA disagrees, many independent analysts say health care costs for the average veteran in the system are dramatically higher than they would be under most private insurance. In many cases, veterans must travel long distances for service. When they arrive at their destinations, the care is often substandard.

At the same time, private hospitals across the country are closing from a lack of patients. Many of those that do remain open are unable to fill more than 50 percent of their beds. The logical solution: Close down the crumbling, underutilized VA system and offer the 10 percent of American veterans who are dependent on it (an average of 2.5 million people each year) their choice of local care through a voucher system.

But practical reforms or cut backs—even the most modest—tend to get beaten down by flag-waving rhetoric. It's not surprising, then, that as the VA embarks on its most ambitious restructuring in the last 50 years, it does so only because its faults have become so glaring in the current atmosphere of fiscal austerity and managed care that many believe its very existence is threatened. And it does so with a tacit nod to veterans groups and nervous bureaucrats that, even as it cuts, the VA wants to expand its mission dramatically, to become the primary outpatient health provider for as many as triple the number of veterans who use it now.

The VA has formulated a plan designed to lure into the system a significant chunk of the remaining 90 percent of veterans who have private insurance. To do this, it intends to set up hundreds of new outpatient clinics, even as it continues operating scores of expensive and underutilized hospitals that remain open only because of political pressure. Meanwhile, the VA continues fighting its on-again/off-again battle with Congress to construct two new hospitals that would cost hundreds of millions of dollars each. The VA's plans are a classic example of bureaucratic mission creep. And so far, Congress has shown little inclination to stop them.

Bloated Sacred Cow

The Veterans Administration was originally intended as a safety net. When the VA was established in 1930 to take care of growing demand from World War I veterans, the country had virtually no private health insurance, and veterans who used the system had few other options. In 1973, Congress extended VA care to peacetime veterans with low incomes; then, in 1986, extended its services even further to include higher-income veterans based on availability. In 1990, the VA began charging a modest fee to veterans with outside insurance, but its gradual expansion has rendered the system's mission ill-defined and vague.

Today, the VA system is a behemoth. It consists of 173 hospitals, 401 outpatient clinics, 133 nursing homes, 39 residences, and 205 readjustment-counseling centers. It employs 194,000 people, serves around 3.5 million vets over the course of three to five years, and has an annual budget of $17 billion. Last year, it was one of the few Cabinet agencies to receive an increase in funding—and there's a reason. New federally funded VA facilities are a popular trophy and a concrete symbol back in the district of a Congress member's political clout. Moreover, no politician wants to offend the powerful veterans lobby—including groups such as the American Legion, the Paralyzed Veterans of America, and the Veterans of Foreign Wars—which fears that any change is the first step toward dismantling the guarantee of health care for individuals wounded in combat and has been known to brag about its ability to mobilize massive grass-roots opposition to any perceived threat. Any serious discussion of the VA—other than advocating its expansion—is something most politicians are wise to avoid; it is taboo to talk seriously about closing down a VA hospital, no matter how underutilized, expensive, or wasteful. Those who have dared speak out have often been driven from office—or come to work in places like Chicago to find crowds of protesters, many in wheelchairs, waving American flags and talking about sacrifice, heroism, and Iwo Jima. As a result, no VA hospital has been closed for

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economic reasons since 1965, despite the fact that more than 50 VA hospitals are currently operating with half their beds empty, and some former VA officials openly admit they should be closed.

Anyone who doubts the clout of the veterans lobby need only talk to longtime VA employees, who were around for the public scalping of former VA secretary Edward J. Derwinski. During the Bush administration, Derwinski suggested opening up three under-used VA hospitals in Alabama, Virginia, and Montana to non-veteran Medicaid patients. Unfortunately for the soon-to-be-unemployed Derwinski, he chose to unveil his proposal in close proximity to a presidential campaign. Veterans groups mobilized and Derwinski was soon forced to resign.

When Bill Clinton took office a few months later, vowing to overhaul the nation's health care system, he could hardly afford to ignore the VA—one of the nation's largest health care providers. Clinton faced a political mine field. As if the issue weren't explosive enough, he arrived in Washington tarnished from a campaign in which he had been labeled a draft-dodger, only to find himself quickly mired in a political disaster over his handling of gays in the military.

Still, critical reports on the VA system from places such as the GAO identified problems across the board. For one thing, VA bureaucrats had never had any incentive to cut costs, and there had been little oversight for inefficiencies. VA medical centers were funded according to their past costs, plus an annual increase. That encouraged local VA officials to keep costs high even if the number of patients seeking treatment declined, as they have in recent years in many parts of the Northeast and Midwest. To save money was to risk convincing congressional appropriators that less funding was needed the following year.

The situation was made worse by red tape and bureaucracy. Dictating VA procedures was a cumbersome, seemingly random set of regulations spelling out which veterans were eligible to receive what benefits and for how long. One example commonly cited by critics: Prior to the Eligibility Reforms of 1996, a veteran with a broken leg could not be given crutches unless he stayed overnight in the hospital.

Also under the old law, the full gamut of VA care was officially available first and foremost to indigent veterans and those with service-related injuries that affected their ability to function by 50 percent or more. Other veterans could receive care for their service-related wounds but for nothing else, unless varying criteria were met or unless they paid for treatment. Theoretically, a veteran being treated for a leg injury was not entitled to additional care if he happened to sprain his ankle on the way to his VA appointment. Many doctors, however, simply ignored the regulations. As a result, more than 40 percent of admissions and days of care administered by the VA from 1991 to 1992 was inappropriate under the regulations, according to the VA's internal studies. One report by the VA's inspector general estimated that, based on his office's review of one medical center, the VA spent between $323 million and $831 million on ineligible outpatient treatments in fiscal year 1992 alone.

Even more troubling was the quality of care. While it's true that some VA hospitals affiliated with medical schools provide top-notch treatment in certain specialty fields, the more common reality is that care—particularly in under utilized rural areas—is often substandard. Waiting times often range from one to three hours before a physician examines patients in emergency rooms and clinics. Veterans often wait eight to nine weeks to obtain appointments at speciality clinics.

VA officials argue that incidents of poor quality care and negligence are no more common than in private hospitals and that the VA is unfairly singled out. Those who would know best, however, seem to disagree: Veterans who avoid the system have consistently stated in government studies that they do so, in large part, because they believe the care is poor.

When Clinton took office, the VA system's faults stood out starkly as a illustration of the very problems that the President promised to solve with his utopian depiction of managed care. The Clinton health care plan started the process of rethinking the VA, and even after its death, the administration moved forward with plans for dramatic reform.

New Look, Same Problems

In March 1995, Dr. Kenneth Kizer, VA Undersecretary for Health, unveiled a reform plan to restructure the VA's 950 facilities and 190,000 employees into 22 regional fiefdoms called "Veterans Integrated Service Networks" (VISN). These regional networks, which began taking shape in October of 1995, have more independence and authority to adjust to local circumstances, and are in the process of being assigned separate budgets. The idea, at long last, is to establish a system where hospitals receive reimbursement based on the number of patients they serve instead of how much money they spent the previous year. In addition, the entire emphasis of the VA system has been rethought, shifting focus away from hospital-based inpatient treatment to the more efficient, preventative

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outpatient care. Each veteran will be assigned a primary caregiver to quarterback his or her care, much as private managed-care providers do. The eligibility reforms passed by Congress last year dramatically expand the VA's authority to contract out for some services where convenient. Theoretically, a VISN director could decide it's not cost effective to bus a patient hundreds of miles for heart surgery in a VA hospital, and instead choose to pay for the operation at a local facility. This would seem to be moving the system in the direction of offering veterans vouchers and choice.

There have also been more immediate changes, equally dramatic. VISN directors were instructed to downsize staffs, consolidate services where possible, and cut costs. Over the last two years, the VA has closed 7,500 beds and pared its staff by 14,000. In 1996, 200 positions at VA headquarters were eliminated.

But it's not enough. Even as the VA scales back its workforce, VA bureaucrats are pushing for another dramatic expansion of the system's mission. The new strategy is aimed at luring millions of veterans away from the private sector. Consider *this* message from an article Kizer published in U.S. Medicine in January, in which he lays out the VA's five-year strategy: "We need to increase the number of VA health care users. Remaining static and reducing the number of those using our services forces the system to go out of business. We have to grow and expand to become better."

Kizer's plan calls for the VA to set up scores of new outpatient clinics at "access points" across the country. (Veterans have consistently listed distance as an impediment to accessing care.) The ideal access point would be no more than 30 minutes travel time from the veteran's home. Currently, there are 399 outpatient clinics. Under the new plan, that number is expected to increase substantially. The VA says most will be leased, but some will most likely be built and could become obsolete when the current generation of World War II veterans is no longer around. The number of additional access points that will be set up is yet unknown, but, according to VA spokesman Ken McKenna, it probably will be "a number in excess of 2,000." What does this translate into financially? The cost for each new access point could range from "one million to several million dollars," says Dr. Ronald J. Gephardt, deputy assistant medical director for ambulatory care.

By building access points and reaching out to the veterans community, VA officials are hoping to draw in the 7 million eligible vets who currently rely on private health care providers. But to expand in a time of fiscal austerity, when other hospitals are closing for lack of patients, seems ludicrous—and it will likely serve no one except those employed by the mammoth VA.

Regardless, last year, Congress passed a law extending full-care coverage to all veterans with any degree of service-related injuries, thus upping the number of veterans eligible to receive priority for full VA services by about 2 million.

There's more. In President Clinton's February budget proposal, the VA asked Congress to pass a law allowing the VA to treat elderly veterans not eligible for free care and to bill Medicare for the cost—thus opening up a whole new universe of paying customers. It also wants to be able to compete for veterans who have private insurance and keep the insurance payments. Although the VA currently charges insurance companies a small fee for treating insured veterans not eligible for free care, most of the money, by law, goes back to the Treasury. By changing this requirement, VA officials project they could earn $1.7 billion by 2002. In exchange, they would agree not to request any increase in health care appropriations for the next five years. (Congressional appropriators say the loss in revenue from the Treasury would have to be cut from some other programs.)

Finally, despite all their talk about moving toward a more efficient, outpatient-focused system, the VA and the Clinton administration have been pushing several actions that belie their commitment to reform—and show just how tempting it is to play the hospital trump card in election years. Since 1995, the administration has been locked in a battle of wills with Congress over whether to build two new VA hospitals—not coincidentally—in the voter-rich states of California and Florida. In Florida, the VA proposes constructing a new hospital and nursing home in Brevard County. The VA estimates it would need $1.1 billion over 10 years to build and operate the new facilities. In Northern California, the VA has requested funding for a $211 million construction project at Travis Air Force Base in Fairfield. The VA argues the 235-bed hospital is needed to serve veterans who previously used a VA hospital in Martinez, Calif., that closed after the 1991 earthquake.

The GAO panned both projects as unnecessary and wasteful. In each case, the GAO discovered that local area hospitals had, on average, 2,000 to 3,000 vacant beds that could be put to use. The GAO reports on the hospitals also warned that both construction projects could damage health care in the surrounding areas. In the case of California, the GAO noted that the VA "has not considered the likely neg-

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ative effects the additional beds could have on other hospitals...particularly those [around] Travis Air Force Base that have occupancy rates of around 40 percent."

Yet the Clinton administration and the VA have continued to fight for the projects. In 1995, Congress offered a compromise: It would appropriate $25 million in both Travis and Brevard to construct two new outpatient clinics. But that wasn't enough. In 1996, the Clinton administration resubmitted its request for full funding. This time—in the election year—House members relented and agreed to dole out $32.1 million to construct a new hospital in the Travis Air Force Base. Not coincidentally, Travis' congressman, Republican Frank Riggs, was in the battle of his political life against Democrat Michela Alioto, the daughter of a politically powerful California family. (No such agreement was reached for Florida, where Brevard's Republican Rep. David Joseph Weldon—who was facing no such election battle—said his area didn't need the hospital, and accused President Clinton of making the issue "a political football.") The Senate vigorously objected, so another compromise was reached. House appropriators agreed to hold onto the money until 1998, which gives them time to study the proposal further and, theoretically, reverse their decision. However, it seems unlikely that a reversal could withstand the political pressure of the veterans groups, which now would see any change as a cut.

A Big Debt

There's no question that the country owes a debt to its veterans—especially those who put their lives on the line and came back injured. But there are better ways to repay that debt than throwing away millions of dollars to resuscitate an underutilized system that most veterans believe is substandard and avoid using.

A better course of action would be to dismantle the VA health care bureaucracy and use its $17 billion annual budget to fund a voucher system. Veterans could use the vouchers to access local health care providers of their choice, which would address the two main complaints of the current system: inconvenience and poor-quality care.

Certainly, there are plenty of local health care providers who would be happy to serve them. Since 1980, hospital admissions have declined 11 percent and nearly 1,000 hospitals have closed. In most urban areas, there is a 50 percent excess of beds. Rather than compounding the closings by luring veterans away, a voucher system would help redistribute demand for care. Selling off or leasing some of the VA's real estate and chopping the mammoth bureaucracy could also raise enough money to provide better-quality care to veterans and, in the short term, design a sensible transition plan.

In rural areas with limited access to major private care providers, VA hospitals could be transformed into public hospitals and opened up to everyone—rather than operating well below capacity for the benefit of a few, as is so often the case now. There are already at least 50 VA hospitals with an occupancy rate of 50 percent or less, according to Marjorie Quandt, a former VA employee who testified before Congress. And as the VA moves away from regulations that encourage long hospital stays, occupancy rates will likely fall at scores of other VA facilities. All told, Quandt estimates, there are probably about $33 billion in assets in VA facilities.

VA officials warn that their hospitals specialize in the treatment of injuries common among veterans, such as spinal cord and mental health problems. They argue that dismantling the VA system would leave a gaping hole in service for veterans who suffer from such problems. Certainly, there should be no question that veterans injured while fighting for the United States should receive the best care available. To this end, the VA could either maintain a handful of specialty centers to treat veterans with injuries requiring treatment not available at most private facilities, or, alternatively, consider subsidizing specialists in these areas (with the money saved by moving to vouchers) so that private hospitals can afford to keep them on staff, regardless of the overall market demand.

For the vast majority of veterans, however, the voucher system would allow them to be absorbed into the local health care system of their choice. Money could even be set aside to set up programs in local community hospitals for outreach programs to help large populations of homeless and mentally ill veterans, who might have trouble signing up for vouchers and shopping for care on their own.

Of course, veterans' service groups would likely at first vehemently oppose any such change. It's not hard to see why. Many fear the destruction of any tangible infrastructure would make it easier to cut care for vets in times of fiscal crisis. But provisions could be written into the bill to guarantee VA health care for years to come. And the money saved from the voucher system would improve the quality and scope of care for veterans. ●

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THE END IS NEAR!

Why disaster movies make sense (and dollars) in the '90s

BY HOWARD RABINOWITZ

AN EMBARRASSING CONFESSION: I remember *The Poseidon Adventure* as one of the most exciting movies of my childhood. *Star Wars*-level exciting. The gripping story of a capsized cruise ship on New Year's Eve, it follows a handful of survivors' struggle to escape before the boat goes under. I was too young to catch this disaster classic's first run in a movie theater, but as a seven-year-old I saw its network TV premiere, and it left me on the edge of my seat—wondering who'd survive and who'd perish (people in disaster movies always "perished"); marveling at the upside-down sets and all-star cast (Ernest Borgnine! Roddy McDowall! Red Buttons!); terrified by the crash of the enormous tidal wave; and moved to tears by the enormous Shelley Winters, portraying a self-sacrificing Brooklyn Jew.

Of course, today *The Poseidon Adventure* plays like pure camp. Like the best and worst of the '70s disaster movies, it is junky film making, with soggy dialogue and over-the-top performances. But it does the job—it entertains you for more than two hours. The script manages to turn up the tension every 15 minutes or so as the ship sinks ever deeper and new calamities threaten the survivors. It's an enjoyable bad movie, but not a so-bad-it's-good one; it is fun and forgettable in the way that only certain expensive Hollywood trash can be.

In 1997, for better or worse, major Hollywood studios have returned full force to recycling that particular brand of trash. This summer we'll find out how far we've come from *The Poseidon Adventure* when James Cameron's $180-million *Titanic* hits the screen. And *Titanic* is just the tip of the iceberg. Moviegoers can choose between two films about exploding volcanoes, *Dante's Peak* and *Volcano*; major summer releases include Steven Spielberg's *Jurassic Park* sequel, *The Lost World*, and the waterlogged adventure flick *The Flood;* and next fall brings us *Firestorm*. Network television has even offered up the mini-series *Asteroid* and *Volcano: Fire on the Mountain*. Hollywood hasn't unleashed such a massive dose of catastrophe on the viewing public since, well—*Showgirls*.

So to what can we credit the return of the disaster movie? Studio execs' subtle sense that people are anxious about the impending collapse of the natural world? Hollywood's proximity to the mud slides, earthquakes, firestorms, and race riots that have made L.A. the disaster capital of the world? Perhaps a John Travolta-inspired nostalgia for the Me Decade? Actually, the answer is simpler: Hollywood's bottom line is money, and none of these projects would have been bankrolled if not for the phenomenal success of three movies—*Jurassic Park*, *Independence Day*, and *Twister*—each of which carried a strong whiff of the '70s disaster-movie formula.

Like their '70s predecessors, all three films rely on cutting-edge special effects to portray havoc (natural, man-made, and alien) loosed on humankind—and the heart-stopping rescue sequences that must logically follow. *Twister* shows Mother Nature hitting the spin cycle, air-lifting a cow and devastating countless farms, a drive-in movie theater, a fuel tanker, and the house of the heroine's aunt. Of course, the film's heroes manage to free Aunt Meg and her dog just before the structure caves in. At the heart of *Jurassic Park*, with its undeniably impressive digitized prehistoric supporting cast, is an extended child-rescue sequence (a disaster-movie staple), as Dr. Alan Grant (Sam Neill) uses his dinosaur savvy to ferry two terrified kids to safety. The sci-fi, pop-art cartoon *Independence Day*, which cheerfully envisions the destruction of three-

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quarters of the earth's population, also has its share of implausible rescues amid the carnage. Saved from the aliens' death ray is yet another family dog. (Lesson 1: It's good to be a dog in a disaster movie.)

You could argue that eye-popping visuals are the *raison d'etre* of the genre. (When George Lucas and Steven Spielberg lured Hollywood's special-effects wizards into outer space in the late '70s, it dealt a death blow to the disaster flick.) A *Twister* or *Jurassic Park* is designed like a virtual roller-coaster ride—which is exactly what the audience wants. It's dazzling displays of destruction that draw the crowds—the bigger and bolder, the better—and a skimpy story and bad dialogue can be incidental if the effects are good enough. (On a recent trip to Mexico, I happened to catch a version of *Twister* dubbed into Spanish, a language I don't speak. Surprisingly, I enjoyed the movie much better when I couldn't understand what anyone was saying.)

But special effects are only part of the story. The disaster movie's appeal also lies in its application of a reassuring moral logic to human survival, the suggestion that if we are virtuous, we'll probably survive. (An exception is the Noble Sacrifice of a Featured Supporting Character—which is equally worthwhile in the disaster-movie ethos.) The audience doesn't merely imagine disaster, we imagine how we'd behave in the situation. Would we panic or stay calm? Save ourselves or our loved ones? Have the wisdom to see the tell-tale signs and the agility to react in time? A disaster movie is filled with moral shorthand. In *Independence Day*, we can tell if a character is going to live or die based on whether or not he recycles an aluminum can. In *Jurassic Park*, when a character is introduced as a lawyer, the audience knows he's going to be lunch meat for T-Rex.

"Don't worry, dear. I'm a Heroic White Guy."

Comparing the disaster flicks of the 1970s and the 1990s, it's remarkable to see how little the moral equations have changed over time. In both, Nature isn't the ultimate villain; it's corporate greed that worsens the catastrophe. (Hollywood has always loved to point a finger at money-hungry businessmen, while using the other hand to stuff ridiculous sums of cash into its pockets.) In '70s disaster movies, cost-cutting measures undermine public safety; cheap wiring leads to the barbecued high-rise in *The Towering Inferno* and shoddy architecture ensures that the massive trembler in *Earthquake* will cause scores of deaths. In *Twister*, the one bona-fide villain, played by Cary Elwes, is a rival scientist who steals the hero's research and, even worse, has corporate backing for his project. Hovering in the background of *Dante's Peak* is a developer with a scheme to invest millions of dollars in the idyllic little town. Simply considering the plan is enough to doom the city council members.

One nouveau disaster movie that doesn't directly villify corporate greed is *Independence Day*. Its bad guys are unmistakable: extraterrestrials. (With a not-so-subtle streak of xenophobia, the movie suggests that over-trusting folks who welcome the aliens with open arms deserve to get fried.) The departure isn't surprising, given that with ID4's disaster-movie structure is a pastiche of a dozen classic science-fiction and action movies: *Star Wars* meets *Close Encounters of the Third Kind* meets *Top Gun* meets *Alien*. Still, the aliens' take-no-prisoners strategy to conquer Earth isn't unlike that of the major movie studios' marketing of summer blockbusters: "Open big, strike everywhere, and make sure you get everybody."

The job of a decent disaster movie isn't simply to give us villains, of course. We need heroes, too, and *Independence Day*, of all the recent disaster movies,

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seems truest in form to what we remember of its '70s predecessors. While watching *Independence Day*, I recalled the plot of movies like *The Poseidon Adventure* and *The Towering Inferno* as a story of ordinary people in extraordinary circumstances working together for their mutual survival. In memory, the movie's catastrophe brought together its characters across racial and gender lines—men and women, black and white, young and old—to build camaraderie and courage.

But like the S.S. Poseidon, memory is a fragile vessel. I was wrong about the feminist and multicultural slant. On second viewing, I found that *Poseidon* features no black actors or actresses. Aside from the nobly sacrificed Shelley Winters, the women are shrill or hysterical and utterly dependent on the men, without whom they wouldn't be able to find their way out of a paper bag, let alone a sinking luxury liner. In *The Towering Inferno*, Faye Dunaway (who only a few years earlier lit up the screen as the sexy, tough-talking outlaw Bonnie Parker in *Bonnie and Clyde*) is rendered practically mute, gazing devotedly at Paul Newman. *Inferno*'s one black actor is none other than O.J. Simpson, and he has little more than a cameo. His greatest heroic act is to rescue a cat from a burning bedroom before disappearing from the movie altogether after his 15 minutes of flame.

No, the classic '70s disaster movie isn't a Man-vs.-Nature team-building exercise, but a chance for one (or, in *The Towering Inferno*'s case, two) beleaguered but super-competent Heroic White Guy to flex his muscles and use his wits. His professional expertise (architect, engineer, fireman) is window dressing on the fact that he's "got what it takes" in the hero department. Think of Charlton Heston in *Earthquake* rescuing Genevieve Bujold from a makeshift medical center just before it's washed away by a flood; George Kennedy in *Airport* clearing an obstructed runway so a jet can land safely; Gene Hackman's straight-shooting, self-righteous priest bullying the Poseidon's survivors to the ship's hull. If catastrophe is a test of character, then only an anointed Everyman like Paul Newman or Chuck Heston has a No.2 pencil.

In a way, it makes perfect sense that in the 1970s the standard-issue, status-quo-upholding Heroic White Guy would find his proving ground in the disaster genre—he found practically no other genre where he could stand tall. Watergate left authority figures open to scrutiny and suspicion. Vietnam brought the war-movie machismo of the John Wayne-style swagger into ill repute. With sensitive, introspective method actors like Al Pacino and counter-culture rebels like Jack Nicholson on the rise, disaster movies provided an ideal forum for old-fashioned movie-star heroics that guarded home and hearth in a world turned upside down. When jets are falling out of the skies and the ground is giving way beneath you, these movies seemed to be saying, thankfully Father still knows best.

After two decades of genre revisionism—after *La Femme Nikita*, *Thelma and Louise*, and Sigourney Weaver in *Alien* and *Aliens*—you'd think studio honchos might get the idea of tossing a Heroic White Gal (or, more daringly, Heroic Black Gal) into the disaster mix. If the latest wave of nouveau disaster movies is any indication, however, it's still a man's world when calamity strikes.

For the first three-quarters of *Twister*, Helen Hunt is a strong, independent woman, and an equal in the storm-chasing department to Bill Paxton, but it's still up to Paxton to save her life at the end with the plan to strap themselves to a metal pipe. (Good thinking, Bill!) In *Dante's Peak*, Linda Hamilton, who portrayed a fierce, gun-toting action babe in James Cameron's *Terminator* movies, frets over her kids while Pierce Brosnan extricates them from their volcanic jam. In *Jurassic Park*, Laura Dern's near-deadly encounter with a velociraptor plays like a narrow escape from a slasher in a horror flick, while Sam Neill's match-up with Tyrannosaurus Rex is a more of a battle of wits. Even in *Independence Day*, which offers a multi-ethnic trio of heroes (white president, black fighter pilot, Jewish computer whiz), it's up to the men to save the world.

It's impossible to imagine the nouveau disaster movie without its strong but feminine women, however. The fantasy played out in these movies is not simply that our Heroic White Guy will survive the ordeal, but that the catastrophe will heal his frayed or broken family. As the helicopter whisks the survivors away at the end of *Jurassic Park*, Laura Dern looks lovingly on as the kids fall asleep against Sam Neill, their once reluctant surrogate father. Separated or divorced couples in *Outbreak* and *Twister* have reaffirmed their love by the time the credits roll. At the end of *Dante's Peak*, the dashing and single Pierce Brosnan has filled in the missing-father slot in single-mother Linda Hamilton's family. Before the climactic battle in *Independence Day*, Will Smith marries stripper and single-mother Vivica Fox, and environmentalist good guy Jeff Goldblum reunites with Margaret Colin, his ex-wife.

Hidden within the family-values gloss of the nouveau disaster movie is a reproach, however. Implicit in the moral equation of who-lives-and-who-dies is a

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stern warning that the paterfamilias must be respected—or else. In *Independence Day*, the president's wife (Mary McDonnell) fails to obey her husband's request that she return home after the aliens have landed. She disregards his order and pays with her life. (But not before realizing her grave error; with practically her last breath, she apologizes to her husband for failing to do as he asked.) In *Dante's Peak*, Linda Hamilton's stubborn mother-in-law ignores Pierce Brosnan's exhortation to flee her volcano-side cottage. Guess who's not going to make it to the final reel?

The question remains: Why now? Why has the Heroic White Guy reemerged in the 1990s to protect us in a confused and perilous world? Because the new model of the disaster movie has changed so little from the '70s version, we can speculate that the perceived threats are similar, too. In the 1970s, the Heroic White Guy represented a conservative streak in an America where his voice was often drowned out by a chorus of disparate voices: anti-war protesters, Black Power militants, feminist revisionists, and more. Through his heroism, the White Guy asserted his place in the world and his moral right to occupy it.

The subtle conservative message of disaster movies in the '90s is that all is not right in the world and now more than ever we need a Heroic White Guy who can get us out of a fix. The hero for the '90s isn't a comic book fantasy, a Rambo or Terminator, whose sheer brawn and massive fire power can dispense with the bad guys, but an educated, resourceful middle manager with just enough wits and stamina to survive. In a global economy, with a shrinking professional job market, you might find the Heroic White Guy checking the Help Wanted ads these days—and not finding many opportunities. In '90s disaster movies, catastrophe seems to be lending a hand. It's Nature's way of ensuring that the Heroic White Guy doesn't get permanently downsized. ●

The Washington Monthly

Journalism Award

ERIC SCHLOSSER
The Business of Porn
U.S. News & World Report

FEB. 10, 1997

Charged with encouraging violence against women and commodifying the female body, the sex industry may offend Americans across the political spectrum, but it remains hugely profitable, especially in the U. S.—now the world leader in porn peddling. Schlosser traces the migration of porn from public theaters to home videos, and examines this $8 billion-a-year enterprise to uncover the economics of who benefits from this world of hard-core movies and explicit magazines.

D.C. Schools: Learning the Hard Way
The Washington Post

FEB. 16-20, 1997

As further evidence of the decline of the nation's capital, the Post *exposes the failure of District functionaries and figureheads to provide for public schools. This five-part series reveals the system's horrifying inadequacies and neglect, from which the children of resourceful, upper-middle-class whites generally escape. Left behind are the children of poor, minority families who must navigate a system saddled by an inefficient bureaucracy rife with cronyism.*

MORLEY SAFER
The Disaster that Wasn't
60 Minutes

FEB. 9, 1997

A July 1993 chemical accident at General Chemical in Richmond, Calif., had all the characteristics of your typical disaster: victims, hospital lines, a toxic cloud—and lawyers. And, as Safer shows, sometimes attorneys can be more noxious than chemical fumes. Few citizens were severely injured. Yet some 65,000 people filed suit, collecting up to $180 million in damages—and paying $50 million in legal fees to enterprising lawyers, a.k.a. ambulance chasers.

THE MONTHLY JOURNALISM AWARD is presented each month to one or more newspaper, magazine, radio, or television stories (or series of stories) that demonstrate a commitment to the public interest. We are particularly interested in reporting that explains the successes and failures of government agencies at all levels and of other institutions such as the media, corporations, unions, and foundations that contribute to the existence or solution of public problems. Please send nominations (including two copies of the article or broadcast text) to Monthly Journalism Award, 1611 Connecticut Ave. NW, Washington, DC 20009. Nominations for stories run in March are due April 2.

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The Marx Mistake

Greider reminds us how clever Marx was—and why he was ultimately wrong

by David Ignatius

ONE WORLD, READY OR NOT: The Manic Logic of Global Capital
By William Greider
Simon & Schuster, $27.50

THE ISSUE HAS BEEN BUBBLING through American politics for the past decade, surfacing in what often seem unlikely places: Pat Buchanan's attacks on multinational corporations in the 1996 presidential campaign; Ross Perot's assault on NAFTA; Ralph Nader's campaign against the World Trade Organization as a threat to American workers and consumers; the home-grown radicals, left and right, whose literature attacks organizations like the Trilateral Commission and the Council on Foreign Relations for supporting free-trade policies.

It has become an underground river, this populist anger about the effects of economic "globalization." Tens of millions of working Americans believe that their jobs are being exported overseas to countries where labor is cheap—and that journalists and other members of the meritocratic elite, who don't share their plight, don't give a damn about it. This anxiety is everywhere in working America, as more companies "downsize" to cut costs and remain competitive in the global economy. But until recently, it has lacked an articulate spokesman. Now, in William Greider, it has one.

Greider dares to think big in his new book, *One World, Ready or Not*—on the same world-historical scale as the social theorists who struggled a century ago to understand the first capitalist explosion. His topic is nothing less than the fate of working people as global capitalism, "strong and supple, a machine that reaps as it destroys," accelerates into the 21st century. Greider is not optimistic, to put it mildly. "If my analysis is right," he declares, "the global system of finance and commerce is in a reckless footrace with history, plunging toward some sort of dreadful reckoning with its own contradictions, pulling everyone else along with it."

Greider even pays a brief but unembarrassed homage to the most potent of the 19th century theorists, Karl Marx. Although "the communist experiment failed utterly," he notes at one point, "the contradictions of capitalism that originally inspired Karl Marx's critique are enduring, largely unchallenged and uncorrected."

This is heresy, especially among economists, who tend to view Marx's economic ideas much the same way that astronomers regard astrologers. Indeed, the current high priest of economics, MIT professor Paul Krugman, denounced Greider's book in *The Washington Post* as "not only reckless but simplistic, and remarkably ill-informed." To Krugman, Greider is worse than illiterate—he's innumerate. Krugman is right that the book contains some dubious economic assumptions and technical mistakes, but these criticisms miss the point. This isn't an economics text. It's a work of grand social theory, with a startlingly broad intellectual ambition.

Big, woolly questions like the ones Greider is analyzing get relatively little attention from public intellectuals these days. We have become a nation good at snipping and sniping, but instinctively mistrustful of grand abstractions. The fate of the world; the global contradictions of capitalism; the unresolved legacy of Karl Marx—try talking about topics like those on CNN! The range of respectable opinion these days is, as Greider says, amazingly narrow. The desirability of global trade is a settled issue for most intellectuals, and not just economists. The Cold War is over; the forces of the free market have triumphed.

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But Greider is insistent—earnest as an undergraduate, unafraid of being labeled a Lefty, determined to awake us to the cataclysm he sees ahead. Greider's book is "thinking outside the box," as management consultants are always recommending. It's big, it's brave, it's provocative. It gives voice to a powerful current in American politics.

Global Warning

But is it right? That's a much trickier question, and my guess is that Greider's account is wrong. Not because he makes mistakes in his economics, but because he makes mistakes in understanding the ingenuity and adaptability of human nature. Like the grand theorists of the 19th century, Greider posits implacable forces shaping human history. But history isn't a straightjacket. It doesn't move in one direction. Things that look ruinous in the abstract often turn out not to be, in the practical ebb and flow of the real world. The great convulsions of human affairs tend to come from places where the theorists haven't been looking: the rise of anti-Semitism in Germany, the splitting of the atom, the invention of the microchip.

Greider's argument bears careful study, for it is radically pessimistic. "The global system is astride a great fault line," he writes. "The wondrous new technologies and globalizing strategies are able to produce an abundance of goods, but fail to generate the consumer incomes sufficient to buy them."

That's the central contradiction in Greider-economics. The specter haunting the capitalist world in 1997 is overproduction. As globalization spreads capitalism to every nook and cranny of the world, there are too many factories producing too many goods; and because workers around the world aren't sharing adequately in the new prosperity, they don't have enough money to buy all the products being churned out from Detroit to Kuala Lumpur. As a result, manufacturers face a permanent shakeout. It's downsize or die.

In this relentlessly competitive world, companies don't have the luxury to be generous. They can produce products anywhere, so they go where labor is cheap. Greider calls this "labor arbitrage," in which managers move whole factories to take advantage of differences in wage rates. This is Ross Perot's "giant sucking sound" amplified a thousand times. Workers suffer—both in the countries from which capital is fleeing and in the countries to which it temporarily bestows low-wage jobs. Greider's thesis echoes Marx's famous notion of a "reserve army of the unemployed" that would relentlessly force wages down and produce a final, devastating crisis for capitalism. (Marx was wrong about that, for some of the same reasons that Greider is wrong, as I'll explain later.)

Greider argues that what keeps this system going is the benevolent (and misguided) tolerance of the United States. In our devotion to free markets and free trade (an "enthralling religion," he calls it) we have become the world's leading dupes. Following the analytical path marked by James Fallows, he contends that the great economic success stories of the late 20th century—Japan, China, Korea—owe their success not to free trade, but to protectionist policies that allowed their domestic industries to develop and export. In Greider's view, the world economy is a zero-sum game, in which Asia's new prosperity (or at least, that of its capitalists) has come at America's expense. America has kept the unwieldy system going by acting as the "buyer of last resort," consuming a huge chunk of the world's overproduction. But we can't afford to continue our generosity.

The only beneficiaries of the new order are the financiers—the capitalists, if you will. The returns to financial capital have increased in recent years, says Greider, and so has its political power. So potent have the financiers become in the United States, he contends, that they have overwhelmed the business interests that actually make and sell things—and who would benefit from economic policies that fostered more rapid economic growth.

To bolster his case, Greider quotes various Clinton administration officials bragging about their success in keeping wage increases low. It is one of the virtues of this book that it helps you see such comments, which normally seem as ordinary as the nightly summary of the Dow Jones index, in their true outrageousness.

Here is where Greider is powerfully right. As our economy has shifted gears over the last 20 years, the richest Americans have been capturing an ever-larger share of the national income—more than at any time since the 1890s. At the same time, our market economy has developed a sharper edge. Companies that were once run comfortably for their workers and managers are now run for the benefit of the owners, the shareholders—which means the Wall Street money managers who invest our pension funds and 401k plans. This process has pushed U.S. companies to become better managed, more aggressive, and more competitive in international markets. But it has also thrown a lot of people out of work. The resulting insecurity may be good for our economy in the long run, but it's still unpleasant if you're on the receiving end. Moreover, you don't have to be a socialist to think that if the distribution of income in the United States continues to be

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skewed toward the wealthy we're going to have growing social and political problems.

The Glass Half Empty

So what then is wrong with Greider's argument? The fundamental weakness, I think, is that in focusing on the "reckless footrace with history," it fails to appreciate the global economy as a dynamic, complex system that is constantly adapting to changing circumstances. That limited vision comes through in Greider's descriptions of what he found as he toured the world doing research for his book. He goes to a booming Malaysia and finds exploited village girls working in electronics factories; he goes to Germany and sees heartless financial traders who want to lower the wages of the people sweeping the floors. He goes to Poland and finds workers who have been the victims of capitalist "shock therapy." This is a man who is capable of seeing a cloud in every silver lining.

Earnest as an undergraduate, unafraid of being labeled a Lefty, Greider is determined to awake us to the cataclysm he sees ahead.

Greider's descriptions don't match my own observations of economic development in the Third World. The state-run socialist regimes that are slowly given way to the market in places like Egypt, India, Indonesia, and Argentina were corrupt oligarchies. Their class systems, based on nepotism and political cronyism, were as rigid as those of feudal kingdoms. They offered a measure of security, but at a level that provided little more than subsistence wages for most people. Anyone who visited the oppressive, somnolent China of fifteen years ago and now sees the outpouring of energy, creativity, and wealth of the late 1990s cannot easily disparage the impact of global capitalism on the lives of ordinary people.

For all his reporting on the ground, Greider is intellectually most comfortable in the upper atmosphere, where those supra-human forces of history operate, pushing us toward ever-deepening contradictions and crises. That was Marx's mistake. He failed to understand the adaptability of modern capitalism, in part because he didn't reckon on technological ingenuity. Marx wrote before Thomas Edison, Alexander Graham Bell, the Wright brothers, Henry Ford, Thomas Watson, Bill Gates. Each of their inventions amplified productivity, lowered costs, created jobs and wealth on an astounding scale. Indeed, one reason for the relentless innovation of the modern economy is precisely that companies want to escape Greider's hyper-competitive, zero-sum world. So they innovate, and the world gets richer.

Another weakness of Greider's book is that he doesn't pay enough attention to the essential adaptive mechanism of a capitalist economy—which is the price system. In his repeated discussion of "overproduction," he glosses over the fact that prices are what bring supply and demand in line. People don't build factories unless they think they can make money. If there are too many factories producing too many goods, prices and profits will fall—and people will stop building factories until supply and demand are in sync again.

In his emphasis on static units of account—those stacks and stacks of products being produced by all the factories—Greider makes a mistake that's reminiscent of the environmentalists who warned a few years ago that the world was running out of natural resources. These analysts forgot that as resources become more scarce, their prices rise—stimulating more exploration and production (and development of substitutes), with the new supplies eventually lowering prices again. That isn't a hypothetical textbook example. It actually happened in the 1970s and '80s, with oil.

The adjustments required by the price system are sometimes painful—and Greider is right in worrying that the real wages of low-skilled American workers are likely to fall toward the levels of their global competitors in Mexico or China. That's where the Greiders and Perots and Buchanans have it right. Low-skilled American workers are getting screwed in the global economy, and the country needs to help them adapt. Clinton's emphasis on education and job training is just the beginning of what's needed. But the seriousness of this problem doesn't mean we should junk our economic system, and its built-in mechanisms of adaptation.

Regulation, Regulation, Regulation

Because Greider doesn't like the human costs that the market imposes in times of transition, he argues for rigidities. In particular, he wants to see the U.S. government intervene to protect workers—with capital controls, tariffs to limit competition, taxes on wealth, debt forgiveness.

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These are bad ideas, for the simple reason that they're likely to make things worse. The evidence against such government controls is persuasive: The Great Depression was created in part by precisely the kind of tariffs that Greider is advocating; the stagflation of the 1970s was created in part by wage and price controls; the capital flight that, until recently, was endemic in countries like Brazil and Argentina was caused in part by those governments' attempts to control capital.

Greider takes the Mexican peso crisis as evidence that economic globalization can have disastrous consequences. He speaks disparagingly of the Harvard-educated economists who tried to instill this thinking in Mexico—as if they were doing something wrong in trying to open a corrupt state-socialist regime to competition. Yet Mexico's real problem under President Salinas was that the free market never penetrated far enough—not that it went too far, as Greider maintains. The economic reformers were skating on top of a corrupt, one-party state. Even the President's brother was allegedly involved in drug running and money laundering.

Flexible Steel

The only industry I can discuss with any confidence is the steel industry, which I covered as a reporter for *The Wall Street Journal* in the late 1970s. If ever there were an example that, at first glance, might seem to support Greider's thesis, it's steel. But Big Steel actually offers the clearest evidence that Greider's doom-saying is wrong.

The American steel industry was an early "victim" of globalization. The United States had built up a vast steelmaking infrastructure, with enormous over-capacity. The men who ran the steel companies never liked to close a plant; they always wanted to keep a margin of extra capacity to take care of their best customers at the top of the economic cycle—even if that meant keeping open ancient open-hearth furnaces that should have been banked twenty years before. Like Greider, the steelmakers tended to think in terms of absolute units of output, rather than profitability. If the American steel industry was pouring 100 million tons of raw steel a year, that was inherently good—regardless of the profitability per ton. The leader of the industry, U.S. Steel Corp., was afraid of being too innovative, lest it increase its market share and draw an antitrust suit from the Justice Department.

Workers in this cosseted industry prospered. Represented by a strong union (which probably exerted greater control over the industry's operations than did management), steel labor was able to bargain for unusually high wages and benefits, totaling an average of nearly $20 an hour by 1980. Arguably, these high wages represented a tax on American consumers, who paid the bill. But steelworkers were blue-collar royalty. The only force that could upset this neat little world was foreign competition. To protect against precisely that threat, union and management bound themselves together in a no-strike agreement. And for nearly a decade, they used their joint political muscle to keep most foreign steel out.

When Japanese steelmakers first began to make inroads in the U.S. market in the mid-1970s, the U.S. industry argued that this competition was "unfair." I spent much of my journalistic energy in those days demonstrating that this wasn't so. The Japanese were gaining market share because they were producing better, cheaper steel. They weren't clinging to old open-hearth furnaces. They were operating from new, "greenfield" plants that were the most efficient in the world. It may have been "unfair" that we bombed their old steel plants to rubble during World War II, forcing them to build new ones, but that's life.

Inevitably, the U.S. steel industry began to shrink. Companies laid off thousands of workers as they began to retrench to their best, most-efficient plants. The intricate web of steelmaking that had lined the banks of the Monongahela River since the days of Andrew Carnegie—the coal barges, coke ovens, blast furnaces, and open hearth furnaces, and the rolling mills, plate mills, wire mills—were all shuttered and closed.

It looked like an American tragedy in the making—a microcosm of the zero-sum world Greider describes. Japan had won; America had lost. And for many steelworkers and their families, the transition from that old world into a new one was wrenching. But for Pittsburgh as a whole (not to mention the United States) it proved a blessing. Many 45steelworkers (and more importantly, their sons and daughters) retrained and found jobs in new, more productive industries. As the workforce developed new skills, the region attracted new companies and whole new industries. The new Pittsburgh was less of a blue-collar, union town, but it was no less prosperous than before. Indeed, by every measure, real income grew. Even the steel industry was arguably better off for the changes. The most productive steel plants in the world are now found in the United States, and though there are far fewer steelworkers, the real take-home pay of those that remain is higher than ever.

Take a trip up the Monongahela River now and, true, you'll see an economic gravesite. But if you see only that, as Greider does, you've missed the point. ●

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A Thin Case

Economic espionage may be rampant, but this book doesn't quite prove it

by Robert Dreyfuss

WAR BY OTHER MEANS
by John J. Fialka
W.W. Norton, $25

Perhaps we aren't surprised that with the end of the Cold War, people in high places did not take a look at the $30-billion-a-year U.S. intelligence community, scratch their collective heads, and ask, "What do we need them for anymore, anyway?" Despite the elimination of the military threat to the United States and the disappearance of the Third World hot spots that pitted the United States against the USSR, the persistent CIA and its sister agencies have held their own. Last year, Congress gave them a raise, increasing spending on intelligence—and promising more in '97. Reaching for a metaphor, former CIA Director James Woolsey gave this oft-quoted reason why America's intelligence problem had gotten worse, not better, with the demise of the USSR: The dragon may be dead, but the forest is filled with many "poisonous snakes." And only the CIA could help America spot them and stamp them out. For many critics of the national security state, however, it was difficult precisely to identify the threat. Was it terrorists? Drug traffickers? Arms proliferators?

Now comes John Fialka, a highly respected veteran reporter for The Wall Street Journal, to tell us that a rapidly propagating species of snake is the economic espionage agent. Like a corporate Paul Revere, Fialka sounds the alarm about industrial spies from countries friendly and not-so-friendly swarming to steal the Fortune 500's trade and technology secrets, and thereby reduce America to second-class status. Fialka reports that since 1950 "three successive waves of economic espionage have rolled over the country." And he concludes that Russian, French, Japanese, and other spies are a key reason why the United States is no longer the undisputed world economic leader.

Certainly there is a contingent of economic spies out there, and has been for as long as there have been technological developments to steal. In fact, Fialka's most compelling anecdote may be in the book's introduction, which details nineteenth-century entrepreneur Francis Cabot Lowell's theft of the design plans for England's Cartwright loom, and the resultant effects on U.S. industry. But, in general, the author does not help us get a handle on how serious the threat of economic espionage is. His arguments and examples throughout seem thin—as if Fialka is trying to weave a tapestry of international espionage out of a few colorful, but not particularly substantive, threads.

As the basis of his argument, Fialka relies (rather uncritically) on the assertions of the CIA, the FBI, and private security consultants—many of them, of course, former spooks—who assert that America is engaged in a new kind of Cold War. (Since around 1993, CIA directors have repeatedly assured Congress and the American public that the agency will aggressively pursue the growing foreign threat to American companies.) Unlike Cold War I, Cold War II pits the United States against virtually the entire rest of the world. "In the vast arena of economic espionage, Americans have been looted by the Russians, outplayed by the Japanese, and overwhelmed by the Chinese," Fialka says, along with the French, the Germans, the Koreans, the Indians, the Israelis—the list goes on. With an apparent lack of skepticism, Fialka accepts the FBI's claim that it is handling more than 800 cases of economic espionage at present, though FBI Director Louis Freeh refuses to document a single one.

It can certainly be argued that with the end of the Cold War, economics—not ideology—began to govern the foreign-policy apparatus of most of the world's leading nations. Of course, to many students of the long Cold War era, American foreign policy has always been guided primarily by the imperative to defend the commercial interests of corporate America abroad, from the CIA's subservience to the United Fruit Co. in Guatemala and Big Oil in Iran in the 1950s to the eager defense of the copper industry and ITT in Chile in the 1970s. Yet in the 1990s that imperative is no longer distorted by the prism of the U.S.-Soviet conflict. Policy makers here and abroad could, theoretically at least, make rational calculations of their own nation's economic self-interest and act on them. And if those calculations were to include the

ROBERT DREYFUSS *is a freelance journalist in Alexandria, Virginia.*

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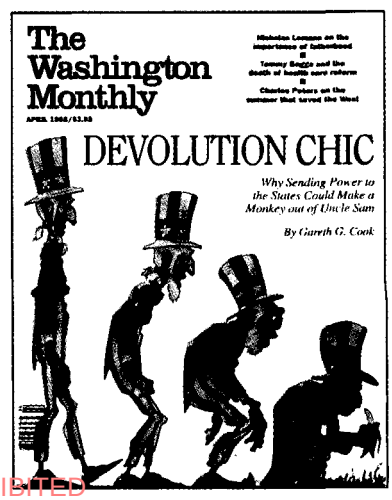

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apparent need to plunder other nations' economic secrets using spies, eavesdropping technology and other Cold War tools, the theory goes, they would do so.

As the Cold War fizzled, a renewed debate occurred in the United States about whether or not the CIA and the rest of the U.S. intelligence community ought to be unleashed to give America a competitive advantage in trade and technology by stealing economic secrets. Many in the CIA were opposed to the idea, while others saw it as a way to make use of otherwise superfluous spies and spy satellites. Members of Congress openly called on the CIA to help U.S. industry abroad. At the very least, the list of the CIA's customers expanded from the Pentagon and the State Department to include the Commerce Department and the Federal Reserve. Fialka ignores this debate. With it, he ignores or poohpoohs reports that the U.S. intelligence agencies are engaged in precisely the kind of conduct that he so denounces among other countries. The widely reported news that the CIA and National Security Agency (NSA) spied on and bugged the Swiss hotel rooms of Japanese trade negotiators in 1995 fails to interest Fialka. And the more scandalous and heavy-handed 1994-95 CIA effort in France, where undercover CIA operatives bungled an attempt to pry into French industrial and trade secrets (and were caught) is dismissed by Fialka. "As spy stories go, it wasn't much," he writes, blaming it all on "the alleged machinations of a fiftyish Dallas public relations woman." In fact, the affair involved at least seven CIA officials from stations in France and Belgium and caused heads to roll at the CIA's headquarters in Langley, Virginia.

To criticize Fialka's book is not to dismiss entirely the idea that other nations are mounting spying operations against the United States. Certainly they are. And though most of the spying is aimed at military secrets, defense technologies, and our own intelligence agencies, at least some of it may be directed at civilian technology, from software to electronics to biotech. But it is a question of degree. If any country has anything like a coordinated, long-term plan to grab U.S. intellectual property, it would be China. China has much to gain, and boasts an authoritarian, military-dominated regime that mixes the civil economy with industry run by the People's Liberation Army. (Indeed, one of China's most notorious military-industrial bigwigs managed to infiltrate himself into a White House coffee with President Clinton, thanks to the overeager Democratic party fundraisers who booked his unauthorized tour. And another China-connected money man, the Lippo Group's John Huang, deposited himself at the Commerce Department, where he secured top-secret clearance.)

But cases of actual spying are a different kettle of snakes from efforts by China—or any other nation—to make use of America's thankfully open society. All nations' intelligence services use so-called "open sources," publicly available data, to gather information, and there the United States is a treasure trove. Yet in his headlong rush to warn America about economic spies, Fialka frequently inveighs against legitimate and proper intelligence collection through open sources. And, far too often his anecdotes involve conflict in areas that have little to do with spying per se. For instance, China's insistence on obtaining military-related technology from McDonnell-Douglas, which Beijing then quietly shifted from its nominally civilian use to an apparently military purpose, was hardly an example of economic espionage; it was an example of a subservient U.S. corporation willing to kowtow to the Chinese in order to win export contracts, America's national interest be damned. Similarly, Fialka presents us with this supposedly alarming statistic: "In 1981, the People's Republic of China had no doctoral candidates in the United States; ten years later, it had 1,596." But it is a long march from the fact that China sends 15,000 students a year to the United States to the unsupported claim that Beijing has "a minimum of several hundred long-term agents operating here." Perhaps we need to start looking under our beds again.

When it comes to remedies, Fialka's are a mishmash of the platitudinous and the outrageous. Few would quarrel with his recommendation that "the public school system must be fixed" in order to boost U.S. competitiveness, but his call to scale back visas for foreign students is strident. He endorses the idea that the United States must spend more money on counterintelligence, beefing up the FBI and tracking suspected money laundering. But, of course, that is exactly the solution sought by many of his sources in the intelligence community, who want more money for such purposes. Most outlandish is his call to limit or "even [close] down altogether" the Freedom of Information Act, because it opens U.S. government institutions to foreign prying.

Fialka probably knows better. At least we can hope that he wrote his book in such alarming, even apocalyptic terms, because it would be provocative and boost sales, but that deep down he knows that things are not so bad. He tells the story of a French author who wrote a book and wanted to call it La Guerre Economique (Economic War). "But his publisher insisted on changing the title. 'War' was felt to be too strong a word," he says. Unfortunately, Fialka's publisher had no such scruples. ●

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He Had a Dream, Too

When civil rights leader Bayard Rustin dared to question affirmative action, the black establishment erased him from history

by Richard D. Kahlenberg

BAYARD RUSTIN: Troubles I've Seen
By Jervis Anderson
Harper Collins, $30

ONE DECADE AFTER HIS DEATH, Bayard Rustin, one of the great heroes of the civil rights movement, is all but forgotten. A longtime aide to Dr. Martin Luther King, Rustin helped organize the Montgomery bus boycott of the 1950s, suggested to King the formation of the Southern Christian Leadership Conference, and was the principal organizer of the 1963 March on Washington showcasing King's "I Have A Dream" speech. In a book ranking the 100 most influential African Americans, past and present, Rustin weighs in above many of today's better known figures, including Andrew Young, Shirley Chisholm, Toni Morrison, Kenneth B. Clark, Louis Farrakhan, Maya Angelou, Marian Wright Edelman, Colin Powell, Clarence Thomas, and Rosa Parks.

Why is Rustin, one of the great strategists and intellectuals of the civil rights movement, so obscure a figure among the broader public today? The unpleasant answer is that in the last 20 years of his life, Rustin became a thorn in the side of the civil rights establishment, questioning Black Studies and the adherence to preferential affirmative action. Rustin served as a haunting reminder, in the years following King's 1968 assassination, of what the old universalist civil rights movement had been, and what the contemporary movement's skirmish on behalf of narrow interests had become. For serving in that role, Rustin paid an awful price. Before his death in 1987, Rustin's sometime rival, James Farmer, would declare, "Bayard has no credibility in the black community," and since then Rustin has been largely written out of the history of the civil rights movement.

Jervis Anderson, a longtime writer for *The New Yorker*, has helped to set the record straight, at least in part. Having devoted eight years to producing Rustin's biography, Anderson provides a vivid, if surprisingly incomplete, account of Rustin's life. The author is at his best describing Rustin's early years. Born in 1912 to a teenage mother in West Chester, Pa., Rustin was reared by his grandparents. His grandmother was a Quaker and raised young Bayard with an abiding social conscience and a commitment to nonviolence and pacifism. Years later, Rustin would say, "My activism did not spring from being black. Rather, it is rooted fundamentally in my Quaker upbringing [which emphasized] the concept of a single human family and the belief that all members of that family are equal."

Like many who came of age in the 1930s, Rustin joined the Youth Communist League while a student at City College of New York. He was particularly attracted to the Communists' apparent dedication to racial justice. But when Hitler invaded the Soviet Union, the Communists abandoned their civil rights agenda to ally with the U.S. against Germany. Rustin was bitterly disappointed and the Communist Party earned itself a lifelong opponent.

During World War II, Rustin could have been excused from the military given his Quaker beliefs. But he thought secular conscientious objectors should receive a similar exemption, and served a jail sentence in protest of the policy. Having rejected the Communists, Rustin began his professional career with the field staff of the Christian pacifist Fellowship of Reconciliation, where he studied Gandhi, and provided aid to the fledgling civil rights movement, emphasizing nonviolent resistance to segregation. In 1941, he helped A. Philip Randolph organize what would have been the first March on Washington. (The march was called off when Franklin Roosevelt agreed to ban racial discrimination in defense industries.) Organizing local protests to segregation, Rustin was beaten and jailed repeatedly. But even while incarcerated, he protested racially-segregated prison facilities.

In 1953, Rustin's association with the Fellowship of Reconciliation was abruptly terminated after he was found guilty of engaging in sexual acts with two young

RICHARD D. KAHLENBERG, *a fellow at the Center for National Policy, is author of* The Remedy: Class, Race, and Affirmative Action.

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men in a parked car outside his hotel in California. It was not the first or last time that Rustin's homosexuality would set back his career. A fellow peace activist said that at the time of his conviction, Rustin was being groomed "to become an American Gandhi," but all that was "destroyed" by the incident in California.

Rustin moved on to the more secular pacifist War Resisters League, where he would remain active in nonviolent civil rights protest, aiding King first with the Montgomery bus boycott, and then with the 1963 March on Washington. The March's success, which is today widely celebrated, was anything but inevitable. The effort faced pressure to oust Rustin when Strom Thurmond attacked him as a Communist, draft dodger, and homosexual. Rustin had just seven weeks to organize the March, and in the early morning of the event, he feared the worst as just 200 marchers had assembled by 6:30 a.m. But then, according to *The New York Times*, a "great crush of humanity spilled over into Constitution Avenue" and by the afternoon more than 250,000 people had congregated, one-fourth of them white. Rustin's colleague Charles Bloomstein noted the significance of Rustin's feat:

> If there had been violence that day the media would have seized upon it, and King's great speech would have been drowned out. Bayard's masterful planning of the March made King's speech both possible and meaningful.

The March, Anderson points out, "signified a moment of genuine interracial optimism never seen in America before or since."

But even then, there were rumblings of dissent. Malcolm X did not appreciate Rustin's March. "Who ever heard of angry revolutionists all harmonizing in 'We Shall Overcome'...while tripping and swaying along, arm-in-arm, with the very people they were supposed to be angrily revolting against?"

In 1965, after a quarter-century of involvement behind the scenes in the civil rights and peace movements, Rustin became the executive director of the newly created A. Philip Randolph Institute, his first official position of power. Ironically, it was just as he finally attained a formal position that his popularity within the black community began to wane. In February 1965, Rustin published a controversial article in *Commentary* entitled, "From Protest to Politics." Rustin argued that with passage of civil rights legislation, including the 1964 Civil Rights Act and the 1965 Voting Rights Act, the new challenge for progressives was primarily economic rather than racial. Accordingly, the new agenda had to be race-blind. "There can be no such thing as an exclusive Negro economic program, for that would counterpose the interests of a little more than ten percent of the society to those of the overwhelming majority." He called, instead, for an economic program backed by an alliance of blacks and labor.

The thrust of Rustin's position was ridiculed by many within the black community. Typical was James Farmer's criticism that Rustin's "commitment is to labor, not to the black man." But as David Garrow notes in his biography of King, *Bearing the Cross*, Rustin's new emphasis had a major impact with an important audience. "Rustin had been telling King for nearly two years that the most serious issues facing the movement were economic problems of class rather than race," Garrow writes, and after the 1965 riots in Watts, King appeared to agree. By 1966, King would argue, "we are now in the most difficult phase of the civil rights struggle [involving] the basic class issues between privileged and underprivileged." Inexplicably, Anderson underplays Rustin's crucial intellectual influence on this question.

After King's 1968 assassination, a friend wrote to Rustin from East Africa, saying, "If you decide to step into his [King's] shoes, it would be one of the few reasons I would return to the States." But of course Rustin, the homosexual, draft-dodging former Communist had no hopes of leading as King had led. Instead, Rustin would, in the 20 years following King's death, play the role of gadfly within the civil rights community. This portion of Rustin's life, which is quite important intellectually and holds the most relevant lessons for contemporary America, makes up little more than a tenth of Anderson's book. The author briefly outlines Rustin's opposition to the Black Studies movement, his attack on efforts by students at Cornell to demand separate black facilities; and his support, in 1968, of white New York City teachers objecting to efforts to replace them with blacks.

But in general, these years get short shrift, and Anderson misleadingly suggests that Rustin's divide with civil rights leaders was largely over the question of black separatism and Black Power. In fact, separatist beliefs never held sway over mainstream civil rights leaders. Instead, Rustin parted with traditional leaders on an issue much more central to the civil rights agenda of the last 30 years—preferential affirmative action. Curiously, Anderson devotes just two short pages to this issue; and worse, he characterizes Rustin's position as for "affirmative action," but opposed to "quotas"—along the lines of President Clinton's

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"mend it don't end it" approach.

In reality, Rustin was much more critical. In 1969, when Richard Nixon launched a plan for racial preferences in the building trades in Philadelphia, Rustin declared that Nixon was clearly using quotas "to divide black and white workers." He asked: "Why, in fact, would a President who has developed a 'Southern strategy,' who has cut back on school-integration efforts, tried to undermine the black franchise by watering down the 1965 Voting Rights Act, nominated to the Supreme Court men like Haynsworth and Carswell...why indeed would such a President take up the cause of integration in the building trades?"

In 1987, months before his death, Rustin gave a speech at the Harvard Memorial Church on King's legacy. After reviewing King's contributions, Rustin declared: "Any preferential approach postulated on racial, ethnic, religious, or sexual lines will only disrupt a multicultural society and lead to a backlash." He continued: "However, special treatment can be provided to those who have been exploited or denied opportunities if solutions are predicated on class lines, precisely because all religious, ethnic, and racial groups have a depressed class who would benefit." The message did not go over well with Harvard's black student population.

Still, Rustin is held in great esteem in certain circles. His intellectual followers include Harvard sociologist William Julius Wilson, who, like Rustin, has mistakenly been labeled neoconservative for emphasizing broad social democratic change. And Al Shanker, the late president of the American Federation of Teachers, named Rustin when asked in 1993 if he had any heroes: "He had the guts to say what he felt was right, no matter how unpopular it was."

None of which is to say Rustin was without flaw. History does not vindicate his role in the peace movement. Rustin invoked pacifism in the war against Hitler, but in the morally ambiguous Vietnam War, Rustin expressed tactical concerns about King's criticisms, and would write: "There is something which is more valuable to people than peace. And that is freedom." Anderson's laudatory biography does little to probe these weak spots. By the same token, Anderson fails to capture the brilliance and eloquence of Rustin's essays, many of which are collected in his 1971 book, *Down the Line*.

In that volume, one sees the full glory of the civil rights movement—its great moral fire for the abiding value of justice. But reading those essays also leaves one with a strong sense of lost opportunity. With King, we can imagine what might have been, comforted in the notion that we as a society might have risen to the greatness of interracial cooperation, nonviolence, and economic change if only he had lived. But Rustin's life is a sober reminder that the best of King's message, carried on by Rustin, was consciously and deliberately rejected in favor of interest group politics. Rustin ended his life as he had begun it, on the margins. The illegitimate son, homosexual, former Communist, and conscientious objector, became in the end, an outsider even within his own beloved civil rights circle. A devoted Quaker and civil rights activist, he was welcomed most in his later life by the Jewish and labor communities.

Jervis Anderson's book, incomplete though it is, reminds us that a progressive civil rights path remains open to us as an alternative to today's parochial identity politics. Perhaps the retelling of this story will encourage a new generation to pick up the mantle laid down by Bayard Rustin. ●

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Political Booknotes

Divorced from Reality

by Corinna Vallianatos

THE IRONY OF READING BARBARA Dafoe Whitehead's *The Divorce Culture* as a young, unwed woman is not lost on me: The book is a warning label on a medicine bottle, a neon "Mr. Yuck" sticker for those of us who cannot yet read the cultural signs, and I'm the captive and as-of-yet untarnished audience Whitehead must only dream of. But for married women, or women who are divorced, reading the book must be less like a warning slap on the wrist and more like a slug in the nose.

THE DIVORCE CULTURE
Barbara D. Whitehead
Alfred A. Knopf, $24

The Divorce Culture starts out reasonably enough, lulling the reader into complacency, if not acquiescence, with its drone of no-nonsense studies, statistics, and aptly-stated admonitions. Whitehead's basic argument is both unsurprising and, in light of the increasing frequency of divorce, distressing. As she describes it,

> [T]he evidence suggests overall that the structural organization of the family around a married couple and their biological or adopted children is more successful at forging strong parent-child bonds and promoting high levels of affectionate child nurture than the fast-growing alternatives: single-parent, cohabiting-parent, or step-parent families.

The reason for this, according to Whitehead, is that families with two parents enjoy an economic advantage, and can pull from the resources and wisdom of two adults rather than one. (The assumption being, one supposes, that a boyfriend or girlfriend, live-in partner, or step-parent would only grudgingly provide support and advice.) Married parents, she contends, are also better able to nurture children, establish parent-child bonds, and "recruit other sources of social and emotional capital." By this I think she means that they can draw upon resources like friends and neighbors in the community, although in Whitehead's antiseptic social historian-speak, that sounds almost commercial.

Still *The Divorce Culture* does offer a few nuggets. Whitehead lays out an interesting account of the evolution of divorce from cultural taboo to an ethos of creative individualism. And she makes an apt observation that, as American society increasingly models family relationships after marketplace facets of free choice and "limited warranties," family bonds are being undermined.

Through most of the book the only thing that's jarring is Whitehead's cool and clinical tone. For instance, this is how Whitehead describes the impact of divorce on children: "...divorce carries multiple risks and losses for children, including loss of income, loss of ties with father, loss of residential stability, and loss of other social resources." But in spite of the detached language in which she states it, Whitehead's basic thesis is hard to dispute. Even without detailing any of the conceivable benefits children might reap from the dissolution of an unhappy home situation, Whitehead is right to say that children experience serious negative side effects.

Then, about 70 meticulous and repetitive pages later, Whitehead suddenly veers into bizarre territory. She warns that "a growing number of single and cohabiting mothers and fathers bring lovers into the children's households. Because these relationships are new, single and cohabiting parents are likely to be caught up in the passionate contagions and noisy eruptions of the early stages of sexual intimacy. Compared with the affectional environment in households with married parents, who have usually settled into a more sedate sex life, the climate in these post-nuclear family households may be overheated and eroticized." Never mind that Whitehead's view of married life as unmarred by incident and as bland as over-chewed gum says a lot about the puritanical premise upon which she writes *The Divorce Culture*. It's the assumption that single parents are hormone-driven and irresponsible that irks me. Besides, who's to say sex has to be either "sedate" or "overheated?"

But Whitehead waits until the second-to-last chapter of the book, ominously entitled "Coming Apart," to spring her most outrageous claim. At this point Whitehead throws the well-paced logic she had established to the wind. Here's Whitehead on fathering outside of marriage: "The boundaries between physical caretaking and sexual abuse, innocent tussling and exploitative fondling, have become blurry and ill defined. How does a father handle the intimate tasks of bathing, diapering, and toileting small children in a setting unsupervised and unregulated by the mother...? How should a mother interpret a toddler's reports of what Daddy did to her private parts?" Certainly mothers need to keep an eye on anyone who's playing father to their children—particularly when it's a man they've just met. But the level of paranoia Whitehead espouses is over the top. To harbor suspicions so perverse, to remove the father so completely from his natural role and assume that without motherly supervision he will become a predator, speaks volumes about Whitehead's adherence to degrading and stereotypical gender roles.

I suppose all this can be expected from a writer whose 1993 *Atlantic Monthly* article on divorce, the spawning-ground of *The Divorce Culture*, was called "Dan Quayle Was Right." Whitehead adheres to a traditional reverence for the nuclear family. She is inflexible in her criticism of the post-nuclear arrangement, a.k.a., the "Love Family." With the same inflection a parent might employ when musing over "these kids today," Whitehead invokes a conservative nostalgia as she contrasts the good old days with the current ones. "While nuclear family

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ideology affirmed love as the foundation of intimate partnership, it anchored that commitment within the institution of marriage. By contrast, the Love Family ideology liberates sexual, compasionate, and parental love from its institutional and cultural moorings in marriage. Love alone dictates the arrangements and content of family life." Hey, call me a flower child, but that doesn't sound so bad to me.

CORINNA VALLIANATOS *is a staff writer for* Greenwire, *an environmental news daily.*

Crawling Toward Capitalism

By Alfred Friendly Jr.

ATTEMPTING TO MEASURE THE pace and the progress of economic reform in Russia is a little like trying to weigh a rhinoceros on the run. More than somewhat foolhardy, the effort is not likely to produce accurate or conclusive results

Undaunted by the risks, however, the authors of *Kremlin Capitalism: Privatizing the Russian Economy* have actually managed to draw a convincing and eminently readable portrait of the process by which Boris Yeltsin's government shifted ownership of some productive state assets to private hands. The operation was largely successful, they conclude, but the patient—the Russian economy—still needs intensive care.

KREMLIN CAPITALISM:
Privatizing the Russian Economy
Joseph R. Blasi, Maya Kroumova, and Douglas Kruse
Cornell University Press, $42.50

As told in a jargon-free, punchy, straightforward fashion by Joseph R. Blasi and two Rutgers University colleagues with whom he monitored the 1991-1995 progress of converting nearly 18,000 large and mid-size Russian companies from government to shareholder control, privatization represents only one early and far-from-complete step toward economic health. Not only are roughly 6,000 big enterprises involved in energy, transport, communications, and defense production still state property, but more than two out of every three employed Russians are on government, not private, payrolls—many of them teachers, doctors, and nurses rather than blue-collar workers. And although there has been an enormous rise in the number of small businesses—from zero in 1990 to almost 800,000 at the end of 1995—entrepreneurial energy and attitudes have not infected many new corporate managers. The reason is simple: Most of those managers are not new. They are the skillful apparatchiks of the Soviet era who have kept the loyalty of their employees—now their stockholders—by changing as little, including the payroll, as possible.

Among the unintended consequences of redistributing control from Moscow ministries to local shareholders has been a new, different sort of stasis. Employees who got theoretical control of their privatized enterprises as shareholders have behaved like security-minded workers, not risk-taking capitalists. Either

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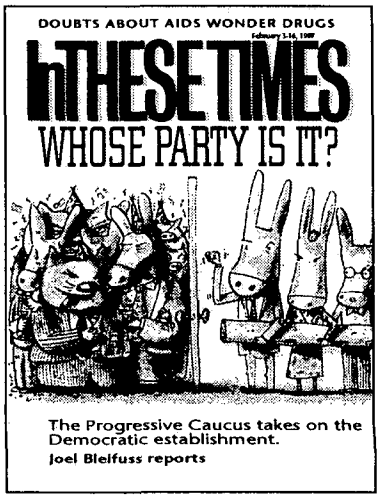

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they handed their power over to their familiar bosses right away so that hypothetical outsiders would not shake things up, or when outsiders did appear, the rank- and-file usually closed ranks around the status quo. Believing their jobs to be at stake, they opted for the devil they knew; but all they have managed to hold on to is an often underpaid, and increasingly unpaid, job, company housing where it has not been privatized, and a subsidized meal in the factory cafeteria. The result is sad, but it might have been predicted by students of Soviet psychology. Trained to value collective security and to mistrust individual enterprise, Russians over the age of 35 tend to be wary of innovation and risk.

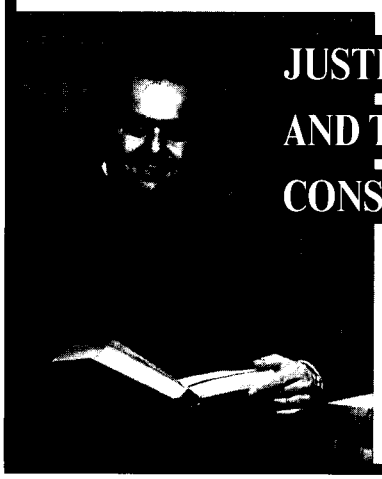
That mindset has prevented privatization from going as far as its architects intended, and many enterprises still think of themselves as appendages of the state. Through the middle of 1996, indeed, inefficient companies managed to keep their doors open with loans at negative interest in times of high inflation, with direct subsidies as monetary policy stabilized and, most recently, by refusing to pay taxes. One by one, however, these expedients have been exhausted, and the day of reckoning draws closer. Based on their remarkable, multi-year survey of corporate Russia, the authors of *Kremlin Capitalism* came to a "shocking conclusion. No more than a quarter of Russian companies are clear winners, and only a small number of those firms are likely to be able to finance their modernization out of their profits." Of the 75 percent of the firms "in need of radical and far-reaching restructuring," Professor Blasi and his co-authors say, "at least a quarter...should be bankrupt."

Was privatization, then, the wrong remedy at the wrong time? Well, there was no right time for reform in post-Soviet Russia, and the economic reforms that have been instituted have also been continually undercut by political confusion in Moscow and in the provinces. The imperfect changes that have come, however, have already begun to transform the future—the promise Communism made and never kept. For the present, *Kremlin Capitalism*'s authors are right to urge a massive training program for "thousands of young Russians in the skills of restructuring, turnaround management, and bankruptcy workouts." But the present is grim and the future is distant. Only someone who could weigh a running rhinoceros could predict how soon Russia will make itself a truly free market, much less a prospering society.

ALFRED FRIENDLY JR., *a former Moscow correspondent for* Newsweek, *is co-author with Murray Feshbach of* Ecocide in the USSR.

"In over two decades of public life, Justice Scalia has articulated a political narrative that has attempted to convey a distinctly conservative and legalistic vision of the future of American politics. . . . His aim has been to conserve the American faith in rule-based politics and to keep bureaucracy, Congress, and interest groups from generating a more chaotic politics of conflicting interests and—to a far lesser extent—moral discord. . . . However, **all of Scalia's talk about the rule of law and reason is an artifice.**"

—from *Justice Antonin Scalia and the Conservative Revival*



JUSTICE ANTONIN SCALIA AND THE CONSERVATIVE REVIVAL

Richard A. Brisbin, Jr.

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Liddy-gate

by David Greenberg

WE'RE COMING UP ON THE 25th anniversary of the 1972 Watergate break-in—mark your calendars: June 17!—and we're sure to face another round of that journalistic staple: a visit with the villains of Watergate and an ironic comment upon their boomeranging fortunes. Ron Ziegler, we're regularly reminded, went from Nixonian mouthpiece to CEO of the National Association of Chain Drugstores. Chuck Colson, erstwhile White House tough guy, now pops up in *The Washington Post* and *Wall Street Journal* op-ed pages. And, most famously, G. Gordon Liddy, after 52 months in the pen, became a popular lecturer and radio-show host, regaling listeners with his withering attacks on Democrats and his technical mastery of guns and weaponry. The re-acceptance of these felons and rogues, we're frequently told, must mean the public has a short memory. Or maybe it has simply forgiven them. How else to explain, for example, Richard Nixon's funeral three years ago, at which pundits and politicians hailed the disgraced president's return to respectability? A great hatchet has been buried, it is suggested; we have declared a Watergate truce.

But who signed it? Did you? The hoopla that greeted the post-resignation Nixon whenever he published a new book, visited the White House, or stopped at a Burger King marked

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not, I believe, an exculpatory embrace of the former president, but simply a continuing fascination with him. As Nixon himself said of the crowds that came to hear him: "They're here because they want to hear what I have to say, but they're [also] here because they say, 'What makes this guy tick?'" Nixon and his sordid cast of henchmen repel us even as they rivet our attention, like scenes of carnage by the side of the road.

This, I assume, is the reason St. Martin's Press has reissued Gordon Liddy's 1980 autobiography, *Will*. Liddy commands a wide listenership, and if Howard Stern and Rush Limbaugh can top the best-seller charts, why not the G-Man? Indeed, when *Will* first appeared, it was a best-seller, horrifying and fascinating readers with now-legendary tales of Liddy charbroiling his own flesh over an open flame so as to inure himself to pain. (*Saturday Night Live* memorably satirized the scene with an ersatz Liddy barbecuing his sauce-slathered hand over a grill, then biting into it.) It's not that we forgive Liddy; we just want to slice away the hard exterior and see what's cooking underneath.

WILL: The Autobiography of G. Gordon Liddy
by G. Gordon Liddy
St. Martin's Press, $26.95

Reading *Will* should chasten the petty scribes who today scream scandal over every piddling political flap that rears its head. With chilling sangfroid and mephistophelean delight, Liddy details the Nixon administration's shockingly criminal plans, both consummated (the burglary of Daniel Ellsberg's psychiatrist's office) and not (the loose but serious talk of having the columnist Jack Anderson assassinated). And these are just the episodes we remember. *Will* reminds us that as general counsel to the Committee to Reelect the President (CREEP), Liddy dreamed up a voluminous and intricate set of illegal "dirty tricks"—only some of which were actually implemented. Liddy called the master plan "GEMSTONE," and each little scheme is truly a gem of ingenious lawbreaking: DIAMOND involved kidnapping and drugging antiwar leaders and whisking them, unawares, to Mexico. GARNET entailed staging phony left-wing demonstrations in order to alienate mainstream voters (one plan—to have hippies publicly urinate on the carpet of Georger McGovern's hotel suite—was scotched when CREEP boss John Mitchell learned he'd soon be moving into the very suite himself). And the racistly named COAL comprised plans to fund black congresswoman Shirley Chisholm's bid for the 1972 Democratic nomination, so as to rend the black community. The recently released Nixon tapes that disclosed a variant of this plan, involving Jesse Jackson, wouldn't have seemed like such news if we hadn't let our hardback copies of Will get dusty.

Besides reconnecting us to the enormity of the Watergate crimes, *Will* offers a tantalizing self-portrait of Liddy. My specialty is history and politics, but this book really ought to be turned over to a psychiatrist. Even a novice therapist would have a field day. Here is Liddy's earliest memory: "Lying on the floor as my paternal grandmother lashed me with a leather harness, shouting, 'Bad! Bad!'" Elsewhere, in recounting his childhood, he writes, "Soon my every waking moment was ruled by that overriding emotion: fear." And all of this happens, incidentally, by the just second page.

It is only fitting that this personality, warped at such an early age, would converge with the grotesquerie of Watergate. No matter how surreal or outlandish Watergate became, Liddy always managed to rise to the occasion. When, after the failed June 17 break-in, Liddy volunteers to John Dean to have himself killed, we wonder which scenario is crazier: if Liddy is trying to impress the weak-stomached Dean with his bravado, or if he really means it.

One other point deserves mention. St. Martin's reissued *Will* once before, six years ago, with a postscript in which Liddy endorsed the 1991 book *Silent Coup*. That book, another St. Martin's publication, claimed that John Dean masterminded the Watergate break-in to gain information that implicated his wife in a call-girl ring. A few reviewers indulged these claims, the book sold well, and its veneer of legitimacy gave the conspiracy-minded Right—the "Who Killed Vince Foster?" crowd—fodder for its ongoing efforts to rewrite Watergate as the illegitimate overthrow of a Republican president by Democrats and the Liberal Media.

Most people, though, myself included, reject *Silent Coup* as spurious or unpersuasive, and Liddy's 1991 postscript adds no further reason to believe that book's claims. Rather, it seems designed to reconcile Liddy's own recollections set forth in *Will* with the seemingly contradictory claims of the later book, which Liddy perhaps wishes to believe because it scapegoats his archenemy, John Dean. After this postscript was published, Dean sued Liddy, St. Martin's, and *Silent Coup*'s authors for libel, and the proceedings are still going on.

This year's reissue of Will contains an anodyne if humorous summary of Liddy's entry into show business—the debates on the lecture circuit with Timothy Leary, the appearances on *Miami Vice*, the radio career—and some macho bluster about parachuting with the Israeli Defense Forces. But it's notable mainly for its continued assault on Dean. Gone is the convoluted attempt to square *Silent Coup* with Liddy's own account of the Watergate burglary. Instead, Liddy sounds off about the Dean lawsuit, skewering Dean by quoting passages from the legal transcript in which the former presidential counsel claims to have "misspoken" during his Watergate testimony, or blames Taylor Branch, the ghostwriter of Dean's memoir *Blind Ambition*, for its apparent errors.

But the beauty of *Will* is that anyone who reads it cover to cover, even with the latest addendum, will surely come to the conclusion that the *Silent Coup* theory is, if not baseless, then certainly beside the point. Even if its central claim about the break-in were true, Watergate was not, as everyone now knows, simply a botched break-in. It was a Constitutional crisis of the first order, and it encompassed a long litany of crimes that have, for the sake of linguistic convenience, come to fall under a rubric that shares its name with an office complex. In *Will*, G.

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Gordon Liddy quite usefully reminds us of the number and the magnitude of these crimes, even as he seems still to revel, perversely, in their villainy.

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How We Won the War

By Martin Walker

THERE ARE SEVERAL MIRACLES which the devout associate with the years of the blessed Ronald Reagan and the saintly Margaret Thatcher. One is that they won the cold war—although one does not have to be an unalloyed admirer of Mikhail Gorbachev to suggest that they may so claim rather as the rooster may purport to be responsible for the rising of the sun. Another is that they somehow also defeated a soft but pernicious proto-communism at home in the form of a bureaucratized welfare state—even though the government's share of GDP in both Britain and the United States was the same when they left office as it had been when they entered upon it. But the most baffling effect of the Reagan-Thatcher years was their success in discrediting the ideology which was the organizing principle behind the West's most profound and ringing success.

Lurking not too deeply beneath the surface of Diane Kunz's economic history of the Cold War is a political conviction that is shared by most of us who have studied the period, and also by those who remember its early years most clearly. That is that from the grim lessons of the Great Depression, and from the happier ones in organizing total war in the 1940s, when a generation of American and British policy-makers concluded that capitalism was far too important to be left to the capitalists.

This had several implications which led the Western governments of the cold war period, from Washington to London, from Tokyo to Bonn, to develop a family of bodies politic that could all shelter more or less comfortably under the label of social democracies. National governments had a democratic mandate that gave them a right and even a duty to intervene in charting the strategic course for their economies; to make the far-sighted investments that frightened off the capitalists; to tax the rich in order to invest in the poor; and to try to bring into sensible harness policies aimed simultaneously at both the national security and the national prosperity.

BUTTER AND GUNS: America's Cold War Economic Diplomacy
by Diane B. Kunz
Simon & Schuster, $30

Diane Kunz has written an accomplished history of how the grand strategy of the Cold War, as an economic even more than a diplomatic and ideological tussle, was devised—and how brilliantly it worked. It was based on a belief in the mixed economy firmly held even by Republicans like Eisenhower. This mixed economy rested on high taxation, heavy government spending, generous pensions, and strong labor unions, all of which were cardinal features of that era when the United States bestrode the global economy like a colossus. This grand strategy created the modern world and the global economy we know today.

But the West (meaning the tripartite system of Japan, North America and western Europe) did not just grow. It had to be created, with Marshall Plan aid for the war-ravaged economies of Europe, and with special Pentagon funds to rebuild Japan's industrial base once the Korean War began. The very thought may send the current Congressional majority reeling like so many Victorian young ladies confronted with the sight of an undraped piano leg. But it is true, and they have to know sometime: America's cold war success depended on the readiness of even Republicans to spend large amounts of taxpayer money on foreign aid.

The money worked. The exhausted allies and defeated enemies of WWII recovered to be staunch

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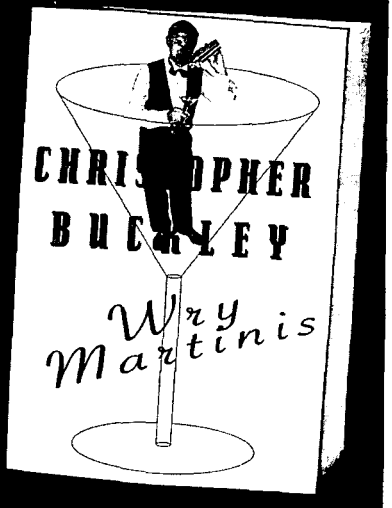

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friends, good customers, and formidable commercial competitors. Under free trading rules, promoted by the United States in its own interest, they all got richer, including the United States. Moreover, the success of the Marshall Plan produced an economic strength in depth, and reserves of democratic political support, which transformed the once socialist-inclined working classes of Europe into bastions of anti-communist sentiment.

The great strength of Diane Kunz's profound, thoughtful, and fundamentally useful book is that she stresses the grandeur of that post-war achievement, and then proceeds to show how it was tarnished, cheapened, and undermined—but never destroyed—by successive generations of politicians. She also shows the degree to which America's allies repaid those loans, accepted the re-organization of the global economic system to American advantage, and then swallowed the debasement of the American currency after 1971, which maintained the United States' economic primacy at foreign expense.

There are some minor errors when she strays into evidently unfamiliar territory like arms control, as well as some very important omissions—most notably early American policies in Japan.

But there are also moments of brilliance. Her chapter on the Nixon administration's dismantling of Bretton Woods is a minor masterpiece—quite the best succinct account available. And her familiarity with British sources considerably illuminates her account of the Sterling crises of the 1960s and their impact on the global economy.

A former merchant banker turned economic historian, Diane Kunz brings many assets to cold war scholarship, not the least of which is an insistence that international economics are neither too daunting nor too specialized for a lay audience. Happily, this also means that she writes without jargon. Sometimes, her taste for the democratic can stretch a trope too far. I think I have picked my way past the bestial metaphors to know what she means when she concludes: "By making the Bretton Woods regime an American poodle, the Soviet decision also allowed the United States to guide a unilateral wolf in multilateral sheep's clothing."

She means that by staying out of the post-war financial system devised at Bretton Woods, the Soviet Union foolishly allowed the United States to dominate what was supposed to be a multi-national structure. I wish she had said so. But there can be no mistaking the meaning in her conclusion, which modern politicians ought to be required to memorize before they start blathering about the glories of free markets and how governments are the problem. As Kunz summarizes:

> The Cold War itself made butter and guns possible: domestic economic prosperity basked in the light of post-World War II government spending and the economic support furnished by our allies. The national security state was not the most efficient way of injecting this continuing fiscal boost but it was the only way acceptable to the American public...With the global struggle concluded, Americans confront issues they have always dodged. Joseph Stalin rescued Americans fifty years ago. Can we rescue ourselves now?

The short answer is, of course we can, once progressives and social democrats recover their nerve and expose the vainglorious political and economic nonsense of the Reagan-Thatcher cult for the ahistorical tosh and heresy that it is. Diane Kunz has made a sound start on the necessary exorcism.

MARTIN WALKER *is U.S. bureau chief of Britain's* The Guardian, *author of* The Cold War: A History, *and, most recently, of* The President We Deserve: Bill Clinton's rise, falls and comebacks.

Millenium Madness

by Patricia Cohen

Three years to go before the turn of the century and the Millennium industry is already in full swing.

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lennium column; the president mentioned the word in his State of the Union speech 17 times; there is even a TV show entitled "Millennium," just one in a series of prophetically paranoid programs and movies now showing. Of course, the publishing world isn't about to be left out. "Trade publishers will release books calculated to appeal to broad popular audiences," notes a recent issue of *Publishers Weekly*, "by tapping into millennial anxieties."

The overwrought millennial fascination is perhaps most conspicuous in the long-standing prophetic religious tradition which sees the century's turn as ushering in biblical visions of apocalypse. But there is a secular version as well that has often found its voice in the commercially successful futurist industry popularized by Alvin Toffler, Faith Popcorn, and John Naisbett.

In *The Fourth Turning*, William Strauss and Neil Howe, authors of the 1991 book *Generations*, are trying to inherit the megatrend mantle. What makes their latest book remarkable is not so much the preposterous theory it proposes—crack-pot philosophies with New Age overtones are a dime a dozen—but the fact that their work is being taken seriously. The book hit *The Boston Globe*'s and *Ingram*'s best seller lists and carries blurbs on the backcover from Newt Gingrich and Al Gore praising the authors' previous publication. True, their description of recent historical moods does resonate, and the frequent pop culture references provide amusingly familiar markers.

THE FOURTH TURNING
by Neil Howe and William Strauss
Broadway Books
$22.50

But while in the popular *Generations* Howe and Strauss offered intersting observations of generational characteristics, in *The Fourth Turning* their ambition falls short of their ability. Now they are hawking a comprehensive philosophy of everything—the past, the future, biology, psychology, technology, art, music, movies, baseball heroes, even magazine titles.

The heart of their theory is that all of human history occurs in recurring, approximately 80-year periods, or saecula, that correspond to a human life span. (The fact that demograhers estimate the Romans lived an average of only 20 to 30 years is apparently unimportant.) Each of the four "turnings" of the saecula is characterized by a particular social mood that is determined by the characteristics of various generations. A Prophet generation is born during a High, an "upbeat era of strengthening institutions and weakening individualism"; a Nomad generation is born during an Awakening, "a passionate era of spiritual unheaval"; a Hero generation is born during an Unraveling, "a downcast era of strengthening individualism and weakening institutions"; an Artist generation is born during a Crisis, "a decisive era of secular upheaval" when the old civic order is brushed away.

This is confusing stuff: Even with the book's numerous charts, understanding the difference between the mid-life Artist in an Awakening and the late-age Prophet in a Crisis can be tough. But, intoxicated with the power of their theory, Howe and Strauss push on, using it to explain just about every social trend and major event in history. Why were women steered out of the workforce after World War II? Not because returning G.I.'s wanted to reclaim their jobs, but because Nomads expand gender differences. What about the genocide of Native Americans? Clearly the result of the clash of their sense of cycles with the settler's misconceived sense of linear time.

But Howe and Strauss don't stop at using their cyclical theory of history to explain the past—they employ it to predict the future. We are on the edge of a Fourth Turning, they warn, which—ever so conveniently—begins after the millennium, midway through the Oh-Oh decade (perhaps they should have called it the Uh-Oh decade).

> Around the year 2005, a sudden spark will catalyze a Crisis mood. Remnants of the social order will disintegrate. Politial and economic trust will implode. Real hardship will beset the land, with severe distress that could involve questions of class, race, nation and empire ...Sometime before the year 2025, America will pass through a great gate in history, commensurate with the American Revolution, Civil War, and twin emergencies of the Great Depression and World War II."

Of course Howe and Strauss wouldn't dream of claiming to predict the actual form this cataclsym will take. Like the Oracle of Delphi, they offer a prophecy that is as useless as it is portentious.

> The next Fourth Turning will either end in apocalypse or glory. The nation could be ruined, its democracy destoyed, and millions of people scattered or killed. Or America could enter a new golden age, triumphantly applying shared values to improve the human condition. The rhythms of history do not reveal the outcome of the coming Crisis; all they suggest is the timing and dimension.

It's the thinking man's Psychic Friends Network.

That books like these should be able to tap into millennial anxiety is not without irony. After all, we're no longer frozen in the cold war, when the threat of nuclear annihilation preoccupied statesmen and clouded children's dreams. But if it is a safer world, it is also a less familiar one, where distinguishing between our friends and our enemies is more difficult. In the face of a changing global economy, bewildering cultural influences, and shifting family structures and gender roles, it seems that the only comfort is an explanation—any explanation—that somehow offers a reason for, or at least a narrative of, a seemingly chaotic world. Witness the growing cadres who swear they've been abducted by aliens or have glimpsed the U.N.'s secret fleet of black helicopters poised over Montana. It's enough to make one long for the generation that was soothed by a hot cup of cocoa.

PATRICIA COHEN *is the Political and Lifestyle Editor for* The Washington Post *Style section.*

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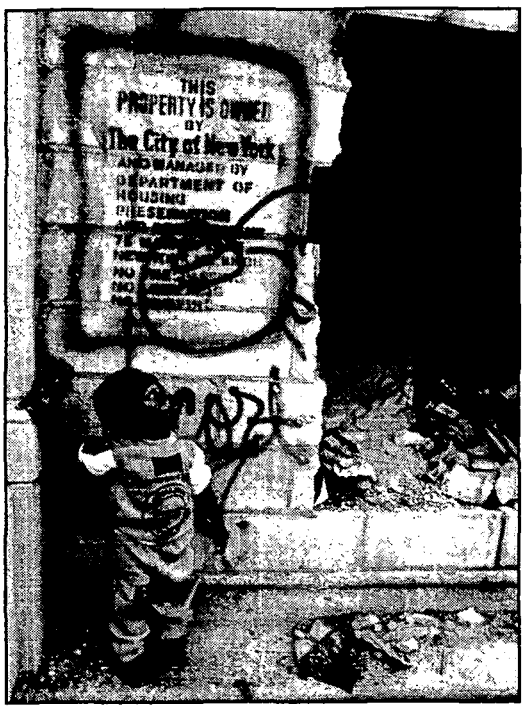

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